

MICROCOPY

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21

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microfilm Publication M976

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

Roll 21

1930-39

793.94/5501-5600
July-Oct. 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

Return to 76
76

TELEGRAM RECEIVED

cib
A portion of this telegram **FROM**
must be closely paraphrased
before being communicated to
anyone.

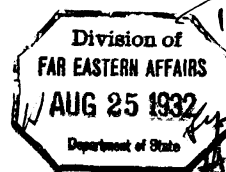
Peiping

Dated August 25, 1932

Recd 6:03 a.m.

Secretary of State
Washington.

DEPARTMENT OF STATE
RECEIVED
AUG 25 1932
DIVISION OF



1007, August 25, 4 p.m. *793.94/5496*
My 985, August 22, noon.

One. Following is for information of the Department:

Commandant of the American Legation guard has received
from the commandant of the Japanese Legation guard a
notification that the Japanese guard will conduct maneuvers
on its glacis and "night practice marches in the streets of
the city near the glacis" on the morning of August 26
from 3 to 5 o'clock. This is the first notification to be
received from the Japanese commandant in response to the
senior commandant's circular of last January requesting such
notification. (END GRAY)

Two. This gives us an opportunity to advise against
such maneuvers and I propose to suggest to Colonel Gulick
that he counsel with the Japanese commandant against such
activities at this time.

JOHNSON

CIB WP

F/HS
793.94/5501

793.94
not
101.9493

FILED

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

1-138
 PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

1-138

TO BE TRANSMITTED

CONFIDENTIAL CODE

NONCONFIDENTIAL CODE

PLAIN

Collect
 Charge Department
 OR

Department of State

Charge to
 \$

1932 AUG -25- PM 4:12 Washington,

This cable was sent in confidence.
 It should be carefully paraphrased, DEPARTMENT OF STATE August 25, 1932.
 being communicated to anyone DIVISION OF COMMUNICATIONS & RECORDS 5 PM

AMLEGATION,

PEIPING (China).

284
 CONFIDENTIAL.

Your 1007, August 25, 4 p.m., paragraph Two.

Department approves and suggests consideration of the practicability, in case Colonel Gulick confers with Japanese commandant regarding this or similar questions, of Gulick's being accompanied by commanding officers of British and perhaps other Legation guards.

Castle, Acting

FE:SKH:CLS

FE

793.94/5501

793.94/5501

Enciphered by

Sent by operator M., 19.....

Index Bu.—No. 80.

U. S. GOVERNMENT PRINTING OFFICE: 1928 1-138

1002

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

Return to *FE*

TELEGRAM RECEIVED

cib

FROM

This telegram must be
closely paraphrased be-
fore being communicated
to anyone.

Peiping

Dated August 27, 1932

Recd 11:15 p.m., 26th.

Secretary of State

Washington.

File
Division of
FAR EASTERN AFFAIRS
AUG 27 1932
Department of State
Del. to Peiping
Sept. 2/32
SEP 2-1932

1016, August 27, 9a.m.

Your 283, August 25, 4 p.m./5496

CONFIDENTIAL FOR THE SECRETARY.

793.94
note
701.9493

Situation quiet at the moment. Recent evidence
of willingness of the Japanese Legation guard commandant
to cooperate (see my 1107, August 25, 4 p.m.) opens now
avenue of approach which commandants will take advantage
of.

Will keep the Department informed.

JOHNSON

CIB WP

F/G 793.94/5502

FILED
DEC 14 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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 2, 1932.

Code Room:

Please send this entire
message by cable, first six
paragraphs in Gray and the
last ^{two} paragraph in Confidential
Code.

J.E.J.

JEJ/VDM

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

1-138
 PREPARING OFFICE
 WILL INDICATE WHETHER

Collect
 Charge Department
 OR
 Charge to
 \$

TELEGRAM SENT

Department of State

Return to EE/
 1-138
 TO BE TRANSMITTED
 CONFIDENTIAL CODE ☒
 NONCONFIDENTIAL CODE
 PLAIN

1932 SEP - 2 - PM 5:31 Washington,
 September 2, 1932.
 DEPARTMENT OF STATE
 DIVISION OF RECORDS
 This cable was received at the Department of State
 It should be classified according to the
 being communicated to anyone.
 b7p

AMERICAN LEGATION

PEIPING (China).

301 793.94/5504
 Your 1007, August 25, 4 p.m., Department's 284,
 793.94/5502
 August 25, 5 p.m., and your 1016, August 27, 9 a.m.

On August 30, WASHINGTON HERALD carried article by
 John Goette, Peiping, under date August 29, stating in
 part as follows:

QUOTE Japanese military authorities today bowed
 to a protest from Washington, agreeing to cease further
 night maneuvers in the Chinese native quarter.

On Saturday, Colonel Gulick, after receiving a
 routine notification that the maneuvers would be held,
 was instructed by Washington to protest. UNQUOTE.

On September 1, NEW YORK AMERICAN carried article
 by John Goette, Peiping, under date August 31, stating
 in part as follows:

QUOTE Japanese troops carried night maneuvers into
 the Chinese native quarter before dawn today, breaking
 a promise given Colonel Gulick, United States Marine
 Corps, senior commandant of the foreign legation guard.
 UNQUOTE.

Enciphered by _____

Sent by operator _____ M., _____, 19____

CONFIDENTIAL

F/HS

793.94/5502

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

CONFIDENTIAL FOR THE MINISTER.

The Department assumes that any action taken by Colonel Gulick was in his capacity as Senior Commandant and thus as a representative of all commandants other than the Japanese. The Department is of the opinion that it would be well, as suggested in Department's 284, ^{793.94/5501} August 25, 5 p. m., that the Senior Commandant, when conferring with the Japanese Commandant on questions of this nature, be accompanied by commanding officers of the British and perhaps other Legation guards. In the view of the Department such questions are matters of common concern to the various Legations at Peiping.

The Department feels that it is desirable to take, both in the field and in Washington, special precautions to guard against its being made to appear that the American Government or American official agencies are solely or primarily responsible for action taken in situations where there is a common interest and/or responsibility; and to guard against attribution to the American Government as such of initiative in connections where it has not repeat not taken the initiative.

793.94/5502

FE:MMH:JEJ:VDM

Enciphered by _____

Sent by operator _____ M., _____ 19 _____

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1968 1-138

Casth
Acis
OR
SEP 2 1932 PM

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

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

TELEGRAM RECEIVED

MET

DEPARTMENT OF STATE
RECEIVED
AUG 29 1932
DIVISION OF

FROM

PLAIN

Peiping via N.R.

Dated August 29, 1932

Rec'd 11:25 a. m.

Secretary of State,
Washington.

1026, August 29, 7 p. m.

Reuter from Shanghai 29th

Division of
FAR EASTERN AFFAIRS
AUG 29 1932
Department of State

"According to information from reliable sources Japanese
fifteenth destroyer squadron, composed of five war-
ships, under command of Admiral Sakonji has received
orders from Japanese Navy office to concentrate at Shang-
hai.

Admiral Sakonji is at present at Hankow. He is rush-
ing back to Shanghai on board his flagship IDZUMA.

Meanwhile, Japanese Marines continue active in Hong-
kew where military telephone communications have already
been established.

Exodus of Chinese inhabitants from Hongkew and Chapei
continues on minor scale owing to apprehension of further
trouble.

Chinese authorities are attempting their hardest to
pacify the frightened Chinese and at same time making rep-
resentations to commander of Japanese Marines asking him to
refrain from activities in these districts.

Representatives

F/DEW 793.94/5503

FILED

793.94

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

MET

2-#1026 from Peiping via N.R.,
August 29, 7 p. m.

Representatives of Chinese residents of Chapei, Hongkew and Yangtzepoo districts called on General Wu Teh Chen this morning asking Mayor to use his efforts to prevail on Japanese Marines to cease their warlike activities and also to lodge strong protest with local Japanese authorities against recent activities".

JOHNSON

WWC-WSB

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
Sept. 8, 1932.

~~MAN.~~
~~ISS.~~
~~CH.~~

The Legation transmits herewith a number of newspaper clippings on the situation in Manchuria. A very good summary of each clipping is to be found in the transmitting despatch which I suggest that you read.

838

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



1674
No. 1684

LEGATION OF THE
UNITED STATES OF AMERICA

Peiping, August 4, 1932.

Subject: Editorial Comment on the Manchurian Situation.

AUG 23 32

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

793.94

The Honorable
The Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
AUG 30 1932
Department of State

Copy in FF
file

F/G 793.94/5504

Sir:

I have the honor to transmit herewith eight editorials on the Manchurian situation which appeared in the Peiping and Tientsin press during the period of July 20-28, 1932.

1/ The first one, entitled "The Last Foothold", which appeared in the PEKING & TIENTSIN TIMES (British-owned and edited, independent) on July 20th discusses the threatened Japanese attack upon the Province of Jehol, "the last foothold of the former order in Manchuria", which the Japanese maintain is the base of operations for the Chinese Volunteers in "Manchukuo" and, therefore, a menace which must be overcome by drastic action. The editorial refers to the abortive efforts of General Honjo to persuade Tang Yu-lin, the governor of the province, to sever his relations with Marshal Chang Hsueh-liang,

and to

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and to proclaim his allegiance to "Manchukuo", and intimates that because of this failure, military action will be resorted to by the Japanese authorities who would find their task a difficult one because of the mountainous topography of the country, were it not for the fact that the Chinese forces in this area were "saturated with defeatism" owing to the non-resistance methods that have been followed since September 18, 1931.

2/ The second editorial is from THE PEIPING CHRONICLE (British edited, but Chinese controlled) of July 22nd and is a review of "The Third Report on Progress in Manchuria, to 1932", a publication prepared and published by the South Manchuria Railway Company. The editor points out many reasons for believing that the publication is largely of a propaganda nature, being full of inaccurate statements that would deceive the uninformed reader and impress him with the justice of the Japanese cause in Manchuria.

3/ THE YENCHING GAZETTE (independent) in its issue of July 22nd likewise discusses the Japanese menace to Jehol. The editor maintains that Japan has no sound pretext for attacking this province, and questions whether it would repay her to do so, but admits it to be quite possible, as there is no accounting for Japanese actions. "From a common-sense point of view", he concludes, "one would scarcely have expected the conquest of Manchuria to follow the murder of Captain Nakamura and trifling damage to a rail."

LE JOURNAL

- 3 -

- 4/ LE JOURNAL DE PEKIN (French-owned and edited) discussing the Jehol situation in its issue of July 24th frankly admits the impossibility of determining whether the threat to Jehol is a real one or merely a smoke-screen to intimidate the Chinese, and on the other hand whether Chinese intentions of resisting to the last man, in case of attack, are real or merely a bluff.
- 5/ THE PEIPING CHRONICLE in its editorial of July 26th on "The Japanese Attack on Marshal Chang" expresses the opinion that many Japanese press attacks upon the Young Marshal are merely a further pretext for attacking, through Jehol, his stronghold in Peiping and thereby completely dominating North China.
- 6/ The PEKING & TIENTSIN TIMES on July 26th in an interesting editorial entitled "The Witch's Cauldron" discusses the Sino-Japanese impasse from the economic point of view and exhibits a tone of unusual pessimism and despair. According to the editor, the determination of Japan to detach Manchuria from all formal association with China, which necessarily involved the decision to separate the Postal and Customs administrations, is a blunder of the greatest magnitude. Furthermore, the hopeless position in which Japan has placed the League Commission of Inquiry bodes ill for the future. The editor again takes the Japanese to task for their ceaseless tirades against Chang Hsueh-liang, and for their preposterous assumption that "whereas Japan has the privilege of booting Chinese authority out of an enormous territory,

the

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the representatives of the pre-occupation government have no right to interfere!" As regards the decision of the Chinese authorities to increase import duties to make up for lost revenue in Manchuria, the editor considers such a policy "will merely give a further fillip to smuggling." The refusal of all compromise solutions is exacerbating the situation. Recent events have but increased the tension all around, and from an economic point of view they are disastrous.

7/ "Digging Herself In" is the title of an editorial which appeared in THE PEIPING CHRONICLE on July 28th, which commented upon the decision of the Japanese Cabinet to appoint a Special Envoy to Manchuria who should have plenipotentiary powers, who should be Commander-in-Chief and also Governor of Kwantung. The editorial concludes by stating that "Japan has evidently come to the conclusion that, whether it may be necessary to conciliate anybody else or not, it is not necessary either to conciliate China, or to consider Chinese feelings in any way."

8/ The last editorial enclosed herewith, that from the PEKING & TIENTSIN TIMES of July 28th is a discussion of the Sino-Japanese issue from a very broad point of view, from the point of view of the interdependence of nations and the necessity of cooperation to achieve prosperity and happiness. The editor avers that the National Government of China "is prepared to recognize economic mutuality

in return

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

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in return for Japan's acceptance of Chinese political integrity" (in Manchuria), and that "there can be no settlement of any value to either country, or to the world at large, except it be along these lines. . . . China must learn that nations must stand on their own feet to deserve the rights and the status they seek. Japan in turn must learn that the sword is not enough. The issue is a world issue, but it is primarily a matter for China and Japan themselves."

Respectfully yours,

Nelson Trusler Johnson

NELSON TRUSLER JOHNSON

Enclosures: ✓

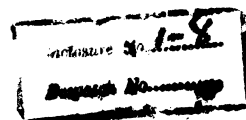
Eight, as indicated.

800

RLB:epg.

To the Department in quintuplicate;
Copy to: American Embassy, Tokyo.

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



PEKING & TIENTSIN TIMES, WEDNESDAY, JULY 20, 1932.

THE LAST FOOTHOLD.

THOSE who follow the Japanese despatches with ordinary care must have realised that Jehol was about to become the centre of events. The reported kidnapping of a Japanese military agent near Chaoyang, cited in the latest telegrams as the immediate pretext, has actually less relevance to the pre-arranged plan of campaign than the murder of Captain Nakamura, who went into Inner Mongolia for much the same purpose, no doubt, as that which caused the Kwantung Command to send the kidnapped officer into Tang Yu-lin's territory. A great many of the younger officers of Chang Hsueh-liang's forces have doubtless been slipping through the passes to join the volunteers in their guerilla campaign outside the Wall. The pressure exerted at Shanhaikuan some time ago stopped the leakage in that immediate vicinity. It is believed that Ho Chu-kuo, who has managed to keep on very good terms with the Japanese all along, yielded to their demands. But as we pointed out at the time, it would merely divert the infiltration of officers and men of the former Manchurian armies to other passes farther west, and sooner or later action would have to be taken in Jehol. The despatch from Mukden elsewhere in this issue informs us that Japanese forces have proceeded toward Chaoyang, where fighting is ensuing.

It is an open secret that considerable troop movements are at present occurring in this province. A cavalry screen was first sent to the Hopei-Shantung border a few days ago, presumably to ensure that Han Fu-chu made no move northward, and a Brigade was sent to Changteh, on the Kinhan, whereafter numerous trainloads of troops from Tuliu and Chinghai, on the Pukow line, were sent to Tungchow, while further movements are pending. Numerous troop trains also left Hsuanhua, on the Peiping-Suiyuan line, for Shaho, near Peiping. Presum-

ably these troops detraining at Tungchow and Shaho, are following troops already despatched as a precautionary measure to Kupeikow, the pass to Jehol, and Dolonor. It remains to be seen whether they are to enter Jehol and assist Tang Yu-lin to defend the territory, or whether they are merely intended to oppose any attempt to invade Hopei.

Tang Yu-lin himself, no doubt, desires nothing better than to remain in peace in his own bailiwick. He is one of the elder type of Tuchuns, who has battered upon the extensive opium cultivation which he has encouraged in Jehol. He is not afflicted with nationalist notions, and would, if he could, doubtless have made a deal with Manchukuo. But it is doubtful how far he is master in his own house, in view of the number of volunteers, bandits, and what not who share his domain, and its perquisites. In a despatch dated July 5, the Japanese Information Bureau stated that about June 20 Tang Yu-lin sent his chief of police to Peipiao, where he conferred with the representatives of General Honjo and the Manchukuo Government. The terms the latter demanded required him to sever relations with Chang Hsueh-liang, and formally proclaim this in a circular telegram; whereafter he should hoist the Manchukuo flag. This being done, he would be confirmed in his present post as Governor of Jehol. It is stated that Tang Yu-lin sent his second son to Peiping to disclose the whole matter to the Young Marshal. The despatch added that rumours were circulating in Peiping to the effect that a secret understanding had been reached between Tang Yu-lin and Manchukuo, and that this was creating great concern to the former Mukden officials. These reports of Tang Yu-lin's defection were later on denied by the Chinese officials in Peiping, who asserted that the Jehol Governor had kept in close touch with the Young Marshal regarding the defence of the province. Confirmation of this statement

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 By Milton D. Quastgen NARS, Date 12-18-75

was given by the local Japanese Information Bureau, which accused Tang Yu-lin of actively participating in the volunteer movement for the recovery of the occupied territory. It was added that he had supplied the volunteers with arms and munitions and sent them to various districts, and ordered the magistrates to give them full support and protection. Thus Jehol "is now regarded as the base of the Chinese Volunteers," and the Japanese despatch indicated that Manchukuo would take drastic action accordingly.

The next development in the situation, according to the same source, was the receipt of a petition, alleged to have emanated from the representatives of the Jehol Provincial Association in behalf of the 25 hsiens of the province, urging the Japanese and the Manchukuo territory to take steps in order to suppress the activities of the volunteers. No doubt some of these volunteers are ordinary bandits, and as such prone to prey upon the countryside. But a petition asking that the entire province be invaded must be regarded with that tolerant scepticism which experience and usage commend. The Chinese are very like most other people in being reluctant to fly from the evils they know to the still more dreaded evils of war and invasion. But in this, as in all other previous instances, the plan and not the pretext is the thing that matters. And it appears that the Japanese expedition to Jehol is not being sent merely to rescue the kidnapped Army agent or to capture and punish the guerilla band responsible, but to free the province from the plight so graphically portrayed in the Japanese semi-official despatches. Perhaps there is no part of Chinese territory where more good may be done by a clean sweep of the existing regime. The indictment which the Japanese never tire of passing on the administration of the Chang Dynasty in Manchuria was appropriately coloured to help the cause of redemption through military occupation.

There were grave evils, undoubtedly, but it was still the best governed and most progressive part of China. This cannot be said of Jehol, where a mediaeval form of government existed for the sole purpose of exploiting the people. It was bad all through, and there is not a good word to be said for it. If it were merely a question of political and administrative sanitation, the invasion of this territory would be regarded with indifference or even with gratification.

But the issues are much greater than that. The invasion of the last foothold of the former order in Manchuria is a challenge which must either be accepted or ignored, with full realization of the consequences. The loss of Jehol would mean the closing of the passes, the isolation of the volunteer movement, and the domination of Peiping—perhaps even the occupation of Peiping ere long. On the other hand, if the Chinese decide to fight for it, and send substantial forces into Jehol, the conquest of this territory would be a serious task. Not even the impregnable strongholds of the Reds in southern Kiangsi are more formidable than the rugged mountains and wild wastes of Jehol. Guerilla bands, operating in this country, could render the few roads which have recently been built useless, and harass an invading force ceaselessly. The Mukden army, however, is saturated with defeatism. The non-resistance methods followed after the attack on the barracks outside Mukden demoralised it. It is probable that the troops are merely being moved up to encourage Tang Yu-lin to remain under the Chinese flag and induce the volunteers to resist. And if this proves to be the case, Jehol will soon be absorbed by "Manchukuo," and the territory be completely cut off from China Proper.

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THE PEIPING CHRONICLE, Friday, July 22, 1932

MORE OR LESS APROPOS OF MANCHURIA.

We have received a copy of "Third Report on Progress in Manchuria, to 1932," prepared and published by the South Manchuria Railway Company to convince the world that the South Manchuria Railway Company is Manchuria, or at least that without the South Manchuria Railway Company there would be no Manchuria worth mentioning. The thesis is not easy to maintain, but the pages before us make a brave effort to leave that impression by the utilization of the subtle art that consists of concealing art; yet in spite of all the devices of camouflage it is not difficult, reading between the lines, to discern how far from the truth it is that the South Manchurian Railway, even with the trailing clouds of Japanese glory that seem to accompany it everywhere, may be equated with Manchuria. Within specified limits the volume before us has real value. It comprises within its pages a vast mass of statistical information not easily accessible elsewhere, so far as it goes dependable, though obviously ignoring much of the economic life of the territory; but selected so as to display the virtues of the S.M.R. and its subsidiaries and associates. Let so much be granted.

There is another side to the shield. Large assumptions are made, sweeping generalizations are made, that cannot be justified. Thus, we are told, that "The anti-foreign movement in China has existed at all times in the past". It would be very easy to disprove this statement by references to history. It is chiefly within the Ta Tsing period that anti-foreignism has shown itself in this country, and then generally in association with aggressive, or supposedly aggressive, foreign activities. The editor of the volume under notice is deliberately invoking a common but unfounded allegation against the Chinese in order, by way of preface, to prejudice the immediately following account of the way in which, it is alleged, the Manchurian authorities "jeopardized Japan's treaty rights and interests in Manchuria". First establish the prejudice, then pursue your thesis; that is the policy of the volume.

"By the terms of the Anglo-Japanese Alliance Japan was promptly brought into the Great War". Stuff and nonsense! By the terms of that Alliance Japan *should have been* promptly brought into the Great War; but it took ten days' haggling to get her in, and in the meantime the skeletal naval force Great Britain had at Hongkong had to hold the seas without the help that, under the terms of the Alliance, Great Britain had been led to believe she might depend upon; with the result that German vessels that should have been bottled up in the Yangtze Delta or in Kiaochow Bay were easily able to escape and inflict considerable damage on British mercantile shipping.

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The treatment of the Nakamura incident is typical. Nakamura is described as Captain Nakamura, as everybody knows now he was entitled to be called; but nothing is said about the fact that his passport did not describe him as Captain or as indeed an army officer at all. His passport described him as a student, and he was dressed in civilian clothes. This, of course, does not justify anything that was or was not done to Captain Nakamura; but we call attention to the circumstance as a typical example of Japanese selectiveness in preparing this volume. It is a case of suppression of part of the truth; and a very large part of the debatable material in the book is presented in the same way.

"Violent assaults on the lives and property of Japanese became common not only in Manchuria but also in China Proper". This is a statement absolutely impossible to substantiate, for two reasons: (1) the moment the incident of September 18 had taken place the Japanese in the greater part of the interior were evacuated, so effectively indeed that everybody expected that Japan was about to declare war; (2) even at points where Japanese still remained there was practically no instance of *unprovoked* attack on Japanese residents: two incidents at Shanghai are not exceptions, for in both cases the Japanese themselves had acted provokingly if not provocatively.

These are but illustrations of the spirit in which this volume, which might otherwise be valuable, is written; and this spirit of course deprives it of near value.

THE YENCHING GAZETTE

July 22, 1932

Jehol

Peiping is perhaps justifiably disturbed by the attacks recently made Japanese near the Jehol border. However, the facts easily become beclouded with wild rumors, and a general haziness about the whole situation is apt to lead to an uncalled-for feeling of panic.

The true significance of the events of the past week may be summed up by saying that the Japanese army now a little less busy shooting people in an endeavor to keep them "self-determined" to maintain an independent state, are turning their eyes once more toward further conquest, and that as always, they are busy trumping up excuses for the move.

Japan's interest in adding Jehol to her domain may arise from any of a number of reasons. First may be noted the fact that in the past Japanese militarists have rather consistently spoken of the four northeastern provinces of China, not three. Although historically and politically to speak thus is an error, yet geographically and in a sense economically they were right. Jehol Province is in reality an integral part of the vast Manchurian basin, its southwestern slope, and is divided from Inner Mongolia—of which politically it has long been considered a part—by the high range of the Great Khingan Mountains. It is divided from Hopei Province by the Great Wall and parts of the Nankow Mountains. Thus in this respect, the Japanese generals in the past spoke truly, and the invasion and possible annexation that seems to impend just now they feel to be merely "rounding out" the job of conquering Manchuria.

Economically, there can be no pressing reason why the Japanese should go to the expense and trouble of a conquest of Jehol. Except for regions bordering the southern part of Fengtien Province, rainfall is rather scarce, and the chief agricultural products are pastoral—wool, skins, hides, some meat and livestock,—and not of great volume. There is one valuable cash crop—liquorice. Its cultivation has been pushed by the Provincial Government for some years, and at present it is rather a lucrative trade—but again hardly worth the conquest of a province.

Thus there remain but two characteristic Japanese excuses, which although in the light of reason or equity are quite inadequate, are yet those which have figured largely in the conquest of Korea and Manchuria. These excuses are, "the defense of the Japanese Empire", and revenge for the alleged kidnapping of a Japanese military spy.

On the score of defense, lacking the peculiar Japanese viewpoint it is hard to understand the justification of the excuse. However, when we consider that the Japanese military have been fighting grimly for nine or ten months to hold on to Manchuria, and when we remember they allege that men, money and brains for this opposition of "volunteers" comes directly from Marshal Chang Hsueh-liang and Hopei Province, and when we recall further that with Shanhaikwan garrisoned by Japanese troops, very few "volunteers" could possibly pass that way, then we see that naturally these military gentlemen have come to regard Jehol as the corridor through which their troubles come. The point where we fail to follow their reasoning is where they assume that the mountainous Hopei-Jehol border would be any easier to defend against such penetration than the comparatively level "Manchou-kuo"-Jehol border.

Even thinner is the case they are apparently taking up with regard to ex-captain Gonshiro Ishimoto, retired army man "interpreter", "liaison officer". Granting that Mr. Ishimoto is a real individual, and he has been kidnapped, we are asked to believe by the Japanese military authorities that the abduction was performed by the soldiers of General Tang Yu-lin, Chairman of Jehol, and at the joint instigation of that gentleman and Marshal Chang Hsueh-liang.

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This is too much. In the first place, the abduction is alleged to have taken place in Peipiao, which is not even in Jehol Province. Thus, unless the kidnappers were kind enough to leave a card, or send notification to the Japanese authorities, there is no reason whatsoever to believe that they were any other than some of the numerous "volunteers" who have resisted the Japanese so doggedly throughout the whole of Manchuria. And as for the assertion that either Marshal Chang or General Tang was the direct instigator of the attempt, it is merely absurd. To an independent observer, "it would take a lot of proving."

The Japanese military will not hesitate at further aggression. The playing up of a comparatively trivial incident and the swift retaliatory bombing of a city seem to indicate that such aggression is at least contemplated. That the city is near the Jehol border, and that the Chairman of Jehol has been accused of complicity in the incident indicates further that the aggression may develop into an invasion of Jehol province.

Whether or not such an occupation would repay Japan at the present moment will determine whether it is to be carried out. From a common-sense point of view one would be inclined to doubt that anything will come of it,—but then, from a common-sense point of view, one would scarcely have expected the conquest of all Manchuria to follow the murder of Captain Nakamura and trifling damage to a rail!

LE JOURNAL DE PEKIN

Sunday July 24 1932

On Jehol

News and reports that have reached us during the last few days have attracted attention to the region of Jehol.

Jehol is situated at the crossroads of Manchuria, Inner Mongolia and that part of China proper which extends to the North from Tientsin and Peking.

The Governor of Jehol, who until this moment has displayed certain talents in the fields of diplomacy, has succeeded in retaining a position which though binding him to China has yet enabled him to maintain at least a friendly attitude to the Headquarters Staff of the greatly feared General Honjo.

In point of fact, although the Dairen maps show Jehol as a part of Manchuria, it is an independent territory and has always led an autonomous existence. As autonomous as could be permitted since the events of last September.

It was the personal and recognised fief of its Governor and no one seemed to be particularly interested in what went on there. An incident similar to the famous Nakamura case which is now part of legendary history has recalled its existence to the minds of everyone. An incident which has been dished up to modify a situation which each and all had considered as being the most advantageous to either party concerned with its existence.

The most important consideration at the moment, is whether the arrest of Captain Ishimoto is to serve as a pretext for the unleashing of the Gods of War. Are the Japanese to undertake a further series of military operations and what will be the Chinese reaction?

Have we reached that stage where one party or the other can find some reason for modifying a situation which hitherto has been acceptable to both?

The earlier new despatches indicated that Japan was determined to exact vengeance, prompt and speedy reparation for the offence that had been committed. Aeroplanes, armored trains, infantry and the full panoply of war was to have been set in motion against Jehol and to punish the sacrilegious sinners.

The Government at Nanking tottered on its very throne on learning the news. Urgent telegrams were immediately despatched to recall the Ningpo Napoleon from the Headquarters of the anti Communist army. He was to take charge and put into effect all the measures necessary to ward off the new Northern menace.

Is it smoke from smouldering straw or is there a blaze that is to light the country?

The events of the next few days will tell.

For the time being we do not seem to have passed that particular period in which on the one hand we are told that severe disciplinary measures are to be taken against those who have had the audacity to perpetrate an offence against the Japanese army, and on the other we are faced with the broadcast statement that it is the intention to resist to the last man and ditch, any further encroachments on the part of General Honjo's troops.

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

THE PEIPING CHRONICLE, Tuesday, July 26, 1932

THE JAPANESE ATTACK ON MARSHAL CHANG

Several times during the past few days press reports emanating from Japanese sources have accused Marshal Chang Hsueh-liang of being the head and front of the "bandits", "volunteers" and other bodies in Manchuria who are giving the "Manchukuo" and Japanese forces trouble. There are none so blind as those who will not see, but even people suffering from this kind of blindness are not entitled to assume a like infirmity in others. The moment we begin to examine these accusations their inner significance becomes apparent.

It may be noticed in the first place that the so-called "bandits" and "volunteers", whose nefarious organization we were told in the latest of these messages had been discovered in the investigation of a "certain plot" and been found to be directed by Marshal Chang, call themselves "Sze Wei Chun", that is to say, "Self-protecting Army". The name itself explains what they are, a purely patriotic organization of men who have taken up arms to protect themselves and their homes against Japanese aggression and the hated administration of the "Manchukuo" authorities. These bodies are scattered all over Manchuria. If they have any general organization it is an extremely loose one. The one thing common to them is not a unified leadership but a common hatred of the administrative incubus that has been forced on them by Japanese bayonets. Latest reports seem to indicate that their very loosely knit organization has spread its network throughout the country, and is not likely to be broken up or stamped out of existence except by overwhelming campaigns carried on in every corner of Manchuria. They are in themselves eloquent testimony to the hollowness of the assertion, so often repeated, that the present regime in Manchuria has sprung from the will of the people.

In the next place, it would be interesting to know how, as a mere matter of physical possibility, Marshal Chang can or could direct the activities of these "bandits" or "volunteers", the members of this "Self-protection Army", whilst every means of communication outside the Wall is under the direct control, the personal administration, of a corps of Japanese advisers, experts and technicians, not to mention an army of secret service men, spies and the like. The thing is obviously impossible.

When "Manchukuo" calls itself an independent country, founded on the will of the 30,000,000 people living within its borders, we have a right to enquire how it is that this self-erected "republic" has to depend on a foreign—Japanese—army for its support. If "Manchukuo" is a state created by the will of the people, why do not the "Manchukuo" authorities prove this to the world by holding a plebiscite, a thing surely not difficult to do in a country so admirably administered as we are continually being informed Manchuria is under the present regime? We should be willing to exclude from

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the plebiscite all members of these organizations whose activities are proving so irritating to those in authority; and trust to the vote of the remainder.

The real meaning of these press attacks is twofold. In the first place, Japan has never liked Marshal Chang. Japan hoped, after the removal of Marshal Chang Tso-lin, to find his son a puppet in her hands. That hope has been disappointed, and there lies the first significance of these attacks. Marshal Chang threw in his lot unreservedly with the Nanking Government, and from that moment, Japan has given him no rest, thwarting him and his plans at every turn. The second significance lies in this, that the attempt to dominate North China failed when it was directed along the line of the Peiping-Liaoning Railway last year, and it is therefore necessary to move by another route. Hence the thrust at Jehol, which may easily be developed into a thrust at Peiping and Marshal Chang at the same time, if circumstances should prove more auspicious than they did at the time of the thrust through Shanhaikwan last year. An adventure that would at the same time place Peiping and Tientsin under Japanese domination and jeopardize the position of Marshal Chang Hsueh-liang would probably, in Japanese eyes, be worth a great sacrifice, whether of men, or money or reputation—the very last thing to be considered.

This, put briefly, is the inner meaning of these latest press demarches.

PEKING & TIENTSIN TIMES, TUESDAY, JULY 26, 1932.

THE WITCH'S CAULDRON.

WHEN the Far East emerges from the present crisis things will be very different indeed from what they were a year ago. The revolt of Japan, regarded by so many people as a movement for law and order and even for reconstruction, is more and more proving a destructive movement. The sword of the Samurai is hewing down much dead wood. It is also, unfortunately, striking at the roots of certain institutions whose integrity has been the jealous care of the Powers. Hitherto the Postal Service has seldom been interfered with, even by the Chinese Militarists, and though the Customs Administration has been the subject of frequent crises during the revolutionary struggle in this country, in the end satisfactory arrangements were effected. Japan's determination to detach Manchuria from all formal association with China necessarily involved the decision to separate the Postal and Customs Administration. This policy is, in our opinion, a blunder of the greatest magnitude. It will bring Japan sooner or later into an exceedingly difficult position in regard to the world at large, and render an amicable settlement with China virtually impossible. A compromise solution, such as the appointment of a Chinese High Commissioner in Manchuria, would have given Japan practically all she openly demands in regard to economic rights and opportunities. The time will come when Japan will rue her refusal to consider any solution along these lines, and the hopeless position in which she has placed the League Commission—which, after all, desired nothing more than to assist the two main parties to a settlement of the dispute—bodes ill for the future.

But disastrous as Japan's policy of detachment of Manchuria will prove to be, the form of retaliation decided upon by the Nanking Government is not calculated to im-

prove the situation. Indeed, it is bound in the end to make it far worse. Nations have cut off their nose to spite their face before now, but they have always had occasion later on to regret it. No fair-minded observer can tolerate for a moment the extraordinary attitude assumed by the Japanese in regard to counter-measures taken by the Chinese. It would really seem, according to the Japanese viewpoint, that the bull has a natural and Heaven-ordained right to career about in the China shop and smash things up, and that any counter-measures are a crime. The ceaseless tirades against Chang Hsueh-liang for his alleged leadership of the Volunteers in Manchuria, is a case in point. We are presumably expected to hold that whereas Japan has the privilege of booting Chinese authority out of an enormous territory, the representatives of the pre-occupation Government have no right to interfere! Of course, there is no war between the two countries! But Tokio really can hardly expect China to take everything lying down, for ever. Even so, the form of retaliation adopted by Nanking is certain to have the most unfortunate results. The disruption of the posts and of trade, owing to the attempt to impose double duty, make for an increase of the prevailing anarchy.

Matters were bad enough in all conscience without these measures. The depression has at last hit China, and the export trade, which kept going wonderfully well last year in view of the state of world trade, is going to pieces. Law-abiding traders who make no attempt to evade the high Customs duties, are being shut out of their business by smuggling on a large scale, which began in Manchuria and has now extended to China Proper. Falling revenues threaten a new crisis in State finance. A further increase of the tariff is now being threatened in the delusion that this will help to make up the deficit, when in actual fact it will merely give a further

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fillip to smuggling. Irregularities in regard to the British Boxer Indemnity Funds have resulted in certain articles being placed on the market in ruinous competition with legitimate trade. Banditry and a general feeling of insecurity in the interior have led to a flight both of capital and of the well-to-do classes to the Treaty Ports. The blows from Japan have increased political dissension in this country instead of producing a new solidarity. Economically Manchuria is in a bad way. Even in Japan herself the consequences of the events of the past ten months have been very grave. Constitutional Government is doomed. The political Parties are desperately striving to preserve themselves and their perquisites, but they are destined to be overthrown, though probably not without a struggle. Disintegration is developing far and wide and the deeper the quarrel goes, both internally and externally, the worse will the situation become.

What will happen if and when the Chinese Customs demand payment of the export duties on coal and bean oil and various other Manchurian products shipped to Chinese ports, we shall not venture to predict. A Japanese despatch rejoiced over the fact that cargoes of coal and oil from Dairen were discharged at Hankow without any change in the normal process. If Nanking carries out its threat there is likely to be serious trouble. The Customs decision will not hamper Japanese imports into Manchuria. Nobody supposes that China's pitiful Navy, just emerged from another of its numerous political crises, will even think of trying to intercept vessels from Japan, bound for Dairen. But the Chinese measures will place other foreign imports under the gravest disadvantages. Transshipment will have to be effected in Hongkong or Japan, and the extra cost of this proceeding will probably destroy the ability to compete in the Manchurian market. Moreover, it is unlikely that Manchukuo will

refrain from counter-measures directed at Chinese imports into Manchuria. Doubtless duties will be imposed sufficiently high to keep Chinese products out of the territory altogether. What will happen to the cotton manufactures of the Japanese-owned mills in this country, which have lost the Yangtze market owing to the boycott, and were looking for a new outlet in Manchuria, cannot yet be told. The interests in Japan are hardly likely to welcome competition from these mills.

The stoppage of postal relations may in the end mean little more than considerable delays and the adoption of roundabout routes. Japan will doubtless arrange for the distribution of the international mails from Manchuria, and Chambers of Commerce or other organizations will probably be forced to take action to meet the emergency in the Chinese Treaty Ports. But the general inconvenience will cause much resentment. It is hardly likely that the disruption of the postal service will be appreciated by the Chinese in Manchuria, many of whom are in regular personal and commercial correspondence with their relatives and business connexions inside the Wall. It is likely to do more than any amount of passionate Nationalist propaganda to arouse their feelings, and to increase hostility to the Manchukuo regime. Nor do we imagine that the Chinese in China Proper who depend upon rapid and regular communication with their countrymen in Manchuria will relish the action of the Government, for their difficulties will be far greater than those of the Chinese outside the Wall, who will enjoy facilities denied the people in China Proper.

The refusal of all compromise solutions was, of course, bound to exacerbate the situation. The difficulties and controversies to which the latest developments will give rise cannot but increase the tension all round. From an economic viewpoint the events are disastrous. So long as a reason-

able degree of economic health were preserved, political issues would remain the emotional concern of a relative handful of people. They are matters largely of the mind. But the stomach, though a vulgar organ, is sometimes of much greater importance, and extremism is now likely to assert itself over all moderate counsels.

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THE PEIPING CHRONICLE, Thursday, July 28, 1932

DIGGING HERSELF IN.

Japan is strenuously digging herself in, in Manchuria. The process is interesting. Yesterday's telegrams recorded that in order to unify the Japanese administration the Japanese Cabinet had decided that the Commander-in-Chief should be provisionally appointed a special envoy with plenipotentiary powers, and should *ex officio* be Governor of Kwantung and control the South Manchuria Railway. In his capacity as envoy, the Commander-in-Chief will be placed under the direction of the Japanese Minister of Foreign Affairs, taking charge of foreign affairs in Manchuria, and supervising Japanese consuls.

This decision exemplifies the Japanese skill in doing things without declaring that they are being done. Japan entered upon war against this country without making a declaration of war; now she is assuming a protectorate over Manchuria without formal announcement. The vesting of the offices of Commander-in-Chief, virtual Foreign Minister of "Manchukuo", Governor of Kwantung, and Comptroller-General of the South Manchurian Railway in one person, is in itself nearly an act of annexation as anything short of annexation could be. The whole of Manchuria is assimilated to the Leased Territory, virtually incorporated with it; and the flouting of Chinese authority at Dairen gives the measure of what Japan believes to be her rights in that territory and, by consequence, throughout Manchuria.

To make plainer still, if possible, what Japan's position is and is to be, we are told today that Mr.

Obata, the gentleman who hammered the table at the Waichiao Pu during the Twenty-One Demands episode, is, "in accordance with 'Manchukuo's' request for the appointment of high advisers", probably to be appointed diplomatic adviser to "Manchukuo". The selection of Mr. Obata, of all people, can only be interpreted as a note of emphatic contempt for what this country may either think or feel about the whole Manchurian adventure. Japan has evidently come to the conclusion that, whether it may be necessary to conciliate any body else or not, it is not necessary either to conciliate China, or to consider Chinese feelings in any way.

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TIENTSIN TIMES, THURSDAY, JULY 28, 1932.

STRESS AND STRAIN.

THOSE who are concerned with the crisis in the Far East, whether they be the League Commission or the Governments of the Powers, or the ordinary man-in-the-street, must never forget that there are two Japans to be considered. The Restoration produced dualism, with its immense advantages in the preservation of national discipline and its frequent embarrassments in the field of foreign relations. Even when the present crisis broke upon the world this dualism still asserted itself. In the consequent struggle Wakatsuki and Shidehara finally capitulated. If they had not surrendered they would have been slain like Inouye and Inukai. Since then the balance has continued to go over heavily to the Army. But the issue is not settled. Silence must not be interpreted as consent or a change of convictions. We are told in Ecclesiastes that "To every thing there is a season, and a time to every purpose under the heaven. . . a time to rend and a time to sew; a time to keep silence and a time to speak."

The dualism of Japan to-day is not a dualism of form or of Constitution only, but a deep dualism of polity. One part of Japan cherishes, as most of us have cherished in our time, Napoleonic dreams of conquest and fears the movement of the people, Democracy, and Disarmament. We do not need to bother about the authenticity of the "Tanaka Memorial" to know this. It feels the warm and virile blood coursing through its veins, thinks Western civilisation decadent and unjust, and look out upon the world as the more fortunate and active of the nations have made it much in the same way as the Prussian pre-war officer class did. It would turn Japan away on a new course, put an end to the superficial compromises of the pro-Western era, rely upon the virtues of Old Japan, favour the farmer and ignore the cities and their industries, which bind Japan in economic chains to the rest of

the world and hamper that self-determination which resolute peoples would fling in the face of Destiny, that Destiny which writes on the wall of national life the message of the world's economic oneness.

The other Japan, of industry, finance and political development, would persevere in the path of co-operation and acquiescence, believing a trifle reluctantly, and largely because it sees this course as directed by the Fates and not to be altered by human will. The historical mind surveys such a scene without passion. If we could only answer with absolute certainty whether the stirring of Asia is a revolt against the past and a mighty march towards that Modernism which the West stands for, or a final effort to vindicate the ancient soul of Asia, it would be easy to give the answer to the riddle of the future. Can we really tell where Soviet Russia stands to-day? There are tremendous contradictions. Some would say she has gone East, and some, contemplating the passion, the iron and steel of the Five Year Plan, would say she has gone West. There are others who are ready to affirm that what Soviet Russia really stands for is Eurasia, an accommodation, a straddling of culture and polity as impressive and demonstrable as her straddling of two Continents geographically.

The same gigantic question applies to China and Japan alike. The challenge is so fundamental that it descends below the nation to the individual, and the answer is personal. There are elements which in China would seek salvation in Buddhism and the powers of the past; and in Japan in Shintoism and the ideals of the Samurai, with its profound acceptance of the "last full measure of devotion." There are others, vivid, articulate with the penetrating noise of a turbulent sea dashing upon the rock, who clamour to go our way. Culturally the world is not ready for any final solution. That is a thing which only visionaries and poets can descry in the dim distance.

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By Milton D. Quastgen NARS, Date 12-18-75

Nor is it desirable that the one made of this territory a Pro- should prevail over the other mised Land. Here, amid all until the time is ripe. The the noise of argument and the West can give the boon of confusion of voices, is solid science to Asia, and Asia can fact and actual attainment. It give to the restless West that is necessary not only that this inner repose of the spirit which common interest should be re- takes so large a place in the stored, but that it should be ex- ruminations of the chief charac- tended to China Proper. But ter in Charles Morgan's great the political price must be paid. novel "The Fountain."

We may leave it to historians the Chinese mind has remained to quarrel over the respective in fear something of that large- claims of economic determinism- ness of vision which made the and the influence of culture in Imperial rule of China so bene- the broad current of human volent and so wise in the time history. But this much must of her greatness. If we are to be said: that never had the believe certain statements that former such widespread and have been made, the National intense validity as in this unique Government is prepared to re- age. There is not a political cognise economic mutuality in conference called nowadays but return for Japan's acceptance of world economics at that. A Chinese political integrity. composition of culture is re- There can be no settlement of mote. When Mr. MacDonald of any value of either country, or said at Lausanne that eco- to the world at large, except it nomically the world is one he be along these lines. The con- uttered the most profound quest of territory belongs to a truth of our time—and the past age. The true conquest of most vital in the affairs of men to-day is of the heart and of and nations. It is upon this the mind. Let the ripe experi- fundamental idea that we must ence of England, from the con- build our plans for a better flict with the American Colonies to the India policy of to-day. world. And this must be the speak for these truths. We are point of departure, we believe, now a world in itself, which for any recommendations the has tried most things within the League Commission may make. power of men to conceive and The action of Japan is confused enforce. And let us not for- and contradictory. The blow get the new conflict in Ireland, she struck on September 18 where one side stands for a where one side stands for a principle we shall continue to accept in the end even if the principle of economic identity of interest, and in revolt at Mother Country herself be- comes a Dominion, while the other party fights the issue on a matter of method. The de- solating part of that con- troversy is that both are right, the one on principle and the other on method.

Nations are jealous of their sovereignty and will be free. The time has not yet arrived when frontiers may disappear. But there are no true economic frontiers. China, while clam- ouring for sovereign rights, simultaneously revolted against the doctrine, equally modern and even more valid, of eco- nomic mutuality. Now that she is ready to see the light, Japan remains mistrustful, desiring beyond any doubt more in- timate and friendly relations

with the Chinese, but despair- ing of their ability to do their own part in setting their enor- mous house in order, and in safeguarding Japan's vital in- terests in Manchuria, and turn- ing in the immense confusions of the time to the exploded heresies of the past. Where are the Conquistadores now? What Clive and Hastings ac- complished the National Gov- ernment of Great Britain is un- doing, not in weakness or poltroonery, but in the light of revealed truth. There is no immediate solution of the im- passe. The League Commission may find the key but cannot unlock the door. Why not ad- mit it? Experience is the ulti- mate teacher, hardest and best. China must learn that nations must stand on their own feet, and deserve the rights and the status they seek. Japan in turn must learn, as we have learned, that the sword is not enough. The issue is a world issue, but it is primarily a matter for China and Japan themselves.

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

September 12, 1932.

~~TELETYPE~~
~~MMH:~~
~~SH:~~

Shanghai's despatch No. 8426 of August 3, 1932, reports a newspaper interview with Mr. Yosuke Matsuoka, which has already been available to the Division. He is reported to have said that there is no need for Japan to consult others in the solution of the Manchurian and Mongolian questions as it is Japan's own problem. He hints at the possibility of Japan leaving the League.

There is also enclosed a copy of an editorial from the CHINA PRESS of August 3, called "Japan's Policy in China", which states that the League has not been able to disguise the fact that Japan has entirely failed to convince a single member of the League Council that her actions have been justified.

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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. 8426

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, August 3, 1932.
AM 2932

Subject: Mr. Yosuke Matsuoka:
Manchurian-Mongolian Questions:
League of Nations.

THE HONORABLE

THE SECRETARY OF STATE,
WASHINGTON.

Sir:



1/ I have the honor to transmit herewith a copy
of an alleged interview with Mr. Yosuke Matsuoka by
a Tokyo journal, as re-published in THE NORTH CHINA
DAILY NEWS (British) of August 3, 1932, under the
heading "Mr. Matsuoka Speaks Out." In this inter-
view Mr. Matsuoka definitely states that

"The solution of the Manchurian and Mon-
golian questions is Japan's own problem
and there is no need for us to consult
others."

In the following paragraph he states:

"There is no knowing what the
Europeans and Americans may tell us.
But, in case they turn out hopelessly
irrational, all we should do is to bid
farewell quietly, though such is what I
least expect."

This would appear to refer to the withdrawal of
Japan from the League of Nations, although the meaning
is rather obscure.

Mr. Matsuoka endorses the appointment of the new
Japanese Minister to China and he anticipates that

there

793.94/5505

SEP 14 1932

FILED

-2-

may be a change of attitude towards Japan in China and that Japan will bring about a settlement of the disputes between the two nations. He states that the question with the League of Nations is not the peaceful domain of Manchukuo, but

"Should be how to cope with the state of anarchy prevailing in China."

There is also enclosed an editorial appearing in
2/ THE CHINA PRESS (American incorporated, Chinese owned) of August 3, 1932, under the heading "Japan's Policy in China." This editorial attempts to give a reason for the extensive "shake up" which has taken place in Japan's diplomatic and consular service in the Far East and endeavors to connect it with Japan's policy in China. The editor claims, with reason, that Japan is isolated so far as the Great Powers are concerned and that its military activities have thoroughly estranged the Chinese nation and that it will require decades to restore confidence and trust. The editorial states that the League of Nations has carried diplomatic politeness to excess but it

"Has not been able to disguise the fact that Japan has entirely failed to convince a single member of the League Council that her actions have been justified."

It is further stated in the editorial that

"All the diplomatic skill at the disposal of the Japanese Government will no doubt be employed to prepare the most plausible case for presentation on this momentous occasion" to the League of Nations.

Mr. Matsuoka, it will be recalled, was formerly connected with the South Manchurian Railway in an

important

-3-

important capacity; he left his campaign as candidate for the Diet in February of this year,

"To hurry to Shanghai to see if he can assist in straightening out the tangle there." (From Ambassador Forbes' letter to me of February 10, 1932.)

Mr. Matsuoka, upon his arrival in Shanghai, made a careful study of conditions and it is believed he endeavored to counteract the hotheaded elements in the army and navy. He is reported as being of the opinion that any hostile movements or fighting in regions other than Manchuria, or any intervention in the internal affairs of China, are unpopular with the rank and file of the Japanese people. He strongly advocated a neutral zone around Shanghai and also urged a round table conference to discuss questions which are peculiar to Shanghai. His advocacy of a scheme for a free port of Shanghai did much to alienate the Chinese people from what might have been an intelligent and practical consideration by them of some plan which would have done much to unify the various municipalities of the port, which is important for the permanent development of Shanghai.

Mr. Matsuoka, as stated in italics in Enclosure No. 1, is expected to take a prominent part in presenting the Japanese cause to the League of Nations this autumn.

Respectfully yours,

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

Enclosures:

- 1/- Article from THE NORTH CHINA DAILY NEWS of August 3, 1932.
- 2/- Editorial from THE CHINA PRESS of August 3, 1932.

ESC MB
800
In Quintuplicate.
In Triplicate to Legation.

103

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

Enclosure No. 1 to despatch No. _____ of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated August
3, 1932, on the subject: "Mr. Yosuke Matsuoka: Manchurian -
Mongolian Questions: League of Nations."

Article from THE NORTH CHINA DAILY NEWS (British) of
August 3, 1932.

MR. MATSUOKA SPEAKS OUT

AUG 3 - 1932

No Need for Japan to Consult Others on Manchurian and Mongolian Questions

In an outspoken interview with a Tokyo journal, Mr. Yosuke Matsuoka, who is expected to take the leading part of the Japanese delegation at the League Assembly meeting in September says that the "solution of the Manchurian and Mongolian questions is Japan's own problem and there is no need for us to consult others."

"What Japan declares at the League Assembly in November will be the final chapter to the nation's 60 years' diplomacy," stated Mr. Yosuke Matsuoka with reference to his preparations for the coming Geneva trip when interviewed by the Osaka "Mainichi" before he left for a town of Manchuria.

Mr. Matsuoka who is likely to play a leading role at the League Assembly in autumn is on his way to Manchuria to observe conditions there.

"Personally I feel it rather superfluous to visit Manchuria," he said. "I am going on the tour chiefly on account of Foreign Minister Count Uchida's insistence. I will be away for about 25 days at the maximum, as I am very much occupied in the preparations for the League Assembly at the Foreign Office."

"I just want to get some information from various people. I shall probably go in my present trip as far as from Tsitsihar down to Chinchow. Regarding my preparation for Geneva, I am gathering data concerning which I intend to offer thorough-going explanations to those rather argumentatively inclined European delegates to the League."

"Although Japan, from the standpoint of international peace, must exert her utmost efforts, it is deplorable that there are some among the Japanese who look upon the League of Nations as the venue for the solution of the Manchurian and Mongolian questions. The solution of the Manchurian and Mongolian questions is Japan's own problem and there is no need for us to consult others."

No Need for Hallucinations

Japan is pursuing a righteous course, we must not falter because of such hallucinations as an econo-

mic blockade and war. There is no knowing what the Europeans and Americans may tell us. But, in case they turn out hopelessly irrational, all we should do is to bid farewell quietly, though such is what I least expect.

"I have no knowledge what will be the nature of the final report of the League Commission of Inquiry. Yet, one thing is certain: there is no room for misunderstanding between Japan and the Commission as the result of its recent visit. I duly appreciate, however, and sympathise with the difficult position in which the Commission is placed."

Then turning to the appointment of Mr. Akira Aoyoshi as Minister to China, Mr. Matsuoka went on:

"I am in hearty support of the appointment. It is doubtful whether things can be arranged for the opening of the Shanghai International Conference or not. You must understand that in dealing with China you do not know with whom you are talking."

"At any rate, so far as the practical interests are concerned, the nation can rest assured as they are all blended in the Shanghai Truce Pact. But it is possible that China may show a change in her mental attitude to Japan, turning friendly. I felt that tendency when I was in Shanghai last time. However, the settlement of the disputes between the two nations will drag on for some time yet. Anyway, the problem about which the nation feels the utmost concern has already been set apart from the others."

"The question for the League of Nations is not the peaceful domain of Manchukuo, but should be how to cope with the state of anarchy prevailing in China. The League Commission of Inquiry seems to be thoroughly enlightened on this question."

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

Enclosure No. 2 to despatch No. _____ of Edwin S. Cunningham,
 American Consul General at Shanghai, China, dated August
 3, 1932, on the subject: "Mr. Yosuke Matsuo: Manchurian-
 Mongolian Questions: League of Nations."

Editorial from THE CHINA PRESS (American incorporated,
 Chinese owned) of August 3, 1932.

Shanghai, Wed., August 3, 1932.

JAPAN'S POLICY IN CHINA

WHAT is described as an extensive "shake up" is taking place in the Japanese diplomatic and consular service, particularly in the Far East. Consular representatives in China are being shifted hither and thither, and ambassadors and ministers from abroad are being recalled.

That curiosity should be felt as to what all this means is not surprising. Japan has been playing a deep game for a long time past, and it may be taken for granted that there is something behind the present move.

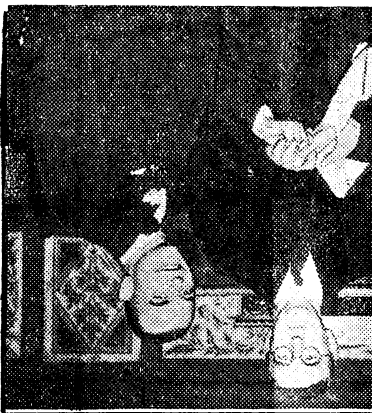
It is possible that wisdom is sought by calling a multitude of counsellors to Tokyo to frame the best defense of Japan's policy towards China.

From several quarters Japan has been told that the "firm" policy that she has adopted has involved the reckless disregard of a great opportunity. She has been told, and told truthfully, that if during the past two decades her policy towards China had been generously sympathetic both countries would have benefited immensely.

It could not have failed to strengthen the ties, not actually racial, but forged by propinquity and by the historic fact that it was from this country that Japan obtained what was practically the foundation of her culture. After the birth of the Republic Japan had the opportunity of becoming the closest friend of China, and as she had proceeded much farther on the road of Westernization than China, she could have given her neighbor the benefit of her experience, and perhaps guided her safely past pitfalls which might not be noticed except by eyes that had become occidentalized.

To have done this would not have involved any sacrifice on Japan's part. On the contrary it would have enabled her to consolidate her position as leader of the Far Eastern nations, and would have protected both China and herself from any possible unfair pressure exercised by what is called for the sake of convenience "the West." The foreign trade of Japan would have developed to an extent that can only be dimly realized now, and both countries would have been the better able to face the world-wide economic slump when it came.

Possibly it will be thought a waste of time to give consideration to what might have been, but never was. It may be—an opportunity wilfully ignored is



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a time when evasion can no longer be resorted to, and when a decision has to be made. For the sake of its own reputation, which has suffered considerably during the past year, the Manchurian problem will now have to be faced squarely by the League.

When that happens—bearing in mind the danger that necessarily exists when an attempt is made to see into the future—Japan will almost certainly stand absolutely alone. And that will be the result of the rejection of a policy of generosity towards China when she had the chance, and the adoption instead of a policy of aggression that has gained her the ill-will of mankind.

been and is a source of comfort to the peoples concerned in that it renders improbable at all events the danger of war in certain directions.

Has Japan any but "official" friends? Has the policy that she has pursued ever since the Russo-Japanese War endeared her to one solitary nation east or west? It is almost painful to have to say that she is not loved in any quarter; she is feared in some, and she is distrusted in all. There was a time in the history of Great Britain when she was proud of her "splendid isolation" but she speedily found, though she had the affection of her daughter nations, that it was impossible to live without friendship and the Entente was the result.

Enclosure No. 2 to despatch at Birmingham, August 3, 1932, on the subject: Mongolian Questions: League

Editorial from THE CHINA Chinese own

Shanghai, Wed., August 3, 1932

JAPAN'S POLICY IN CHINA

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That curiosity should be felt as to what all this means is not surprising. Japan has been playing a deep game for a long time past, and it may be taken for granted that there is something behind the present move.

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It could not have failed to strengthen the ties, not actually racial, but forged by propinquity and by the historic fact that it was from this country that Japan obtained what was practically the foundation of her culture. After the birth of the Republic Japan had the opportunity of becoming the closest friend of China, and as she had proceeded much farther on the road of Westernization than China, she could have given her neighbor the benefit of her experience, and perhaps guided her safely past pitfalls which might not be noticed except by eyes that had become occidentalized.

To have done this would not have involved any sacrifice on Japan's part. On the contrary it would have enabled her to consolidate her position as leader of the Far Eastern nations, and would have protected both China and

The isolation of Japan is infinitely more dangerous and distressing than that of Great Britain in the last quarter of the nineteenth century. Led into terrible excesses by the megalomania of her militarists she has so thoroughly estranged the Chinese nation that it would probably take decades to restore confidence and trust. The League of Nations, though that body has carried diplomatic politeness to excess, has not been able to disguise the fact that Japan has entirely failed to convince a single member of the League Council that her actions have been justified. The resolution of the Council on October 24, 1931, for example, was adopted by 13 votes to 1, Japan being the dissident.

That was a distinct indication to Japan that she stood alone, but the hint was ignored. Indeed the Japanese militarists seem to have determined upon more open defiance since that time.

But September is approaching when the report of the League Commission will be available for the Assembly of the League. The interchange of consular posts and the summoning of ambassadors and ministers is no doubt attributable to the imminence of the meeting of the League Assembly. All the diplomatic skill at the disposal of the Japanese Government will no doubt be employed to prepare the most plausible case for presentation on this momentous occasion.

But the sands are running out. The League of Nations has succeeded for nearly twelve months in evading a direct expression of opinion in regard to Japan's policy in China and the terrible events to which it has led. But there comes a time when evasion can no longer be resorted to, and when a decision has to be made. For the sake of its own reputation, which has suffered considerably during the past year, the Manchurian problem will now have to be faced squarely by the League.

When that happens—bearing in mind the danger that necessarily exists when an attempt is made to see into the future—Japan will almost certainly stand absolutely alone. And that will be the result of the rejection of a policy of generosity towards China when she had the chance, and the adoption instead of a policy of aggression that has gained her the ill-will of mankind.

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

"the West." The foreign trade of Japan would have developed to an extent that can only be dimly realized now, and both countries would have been the better able to face the world-wide economic slump when it came.

Possibly it will be thought a waste of time to give consideration to what might have been, but never was. It may be—an opportunity wilfully ignored is seldom offered again—but on the other hand there can be no harm in stressing the fact that Japan has only herself to thank for the deplorable international reputation that she has gained, and for the sinister specter of poverty that is now stalking through her land.

Looked at with calmness and with no desire to be prejudiced and unfair, what actually is the position of Japan today? No great reliance can be placed on international friendships, but it is certainly true that there is real comfort for a people in the knowledge that the friendship between their country and another is not simply that official friendship that is voiced from embassies and legations on appropriate occasions. It is possible that the friendship between, say, the United States and Great Britain, between Great Britain and France, and between France and Poland is not so deep that it would survive persistent friction, but undoubtedly the existence of these friendships has

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

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TELEGRAM RECEIVED

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DEPARTMENT OF STATE
 RECEIVED
 AUG 31 1932
 DIVISION OF

GRAY

Peiping via N.R.

FROM

Dated August 31, 1932

Rec'd 11 a.m.

Secretary of State,
 Washington.

Division of
 FAR EASTERN AFFAIRS
 AUG 31 1932
 Department of State

1043, August 31, 8 p. m.

My 1016, August 27, 9 a. m. and preceding telegrams

793.94

on the subject Japanese Legation guard. Two or three days ago Japanese sentry at gate of Japanese Legation guard opposite British Legation ordered two members off path outside Japanese Legation guard. British commandant called on Japanese guard to protest, was told to leave ricksha outside and report guard house with request for interview. Yesterday Colonel Aihara and Captain Watanabe called on British Commandant to apologize and in course of conversation made following interesting statements which I report as indicating ideas current in local Japanese military minds: that there could be no peace in North China while the Chinese army were occupying positions inside borders of the new state i. e. in Jehol as owing to their presence, arms and men expenditure ~~same~~ sent *sent* into Manchukuo.

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In order to rid the borders of Manchukuo of these troops it was necessary to crush Marshal Chang Hsueh

Liang

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

MET

E-#1043 from Peiping via N.R.,
August 31, 8 p. m.

Liang if he did not depart.

He also stated that Manchukuo would quite possibly demand that all Chinese troops be withdrawn south of the Yellow River and the country so vacated be policed by the Chinese police and Manchukuo troops.

On British commandant's pointing out that Manchukuo troops would hardly be capable of carrying out this task Colonel Aihara stated that he considered troops and expenditures might be as easily lent to assist in this as hired to take part in cinema films; that America was selling airplanes to China so why should not Japan lend or hire airplanes and men to Manchukuo.

He
/also went on to state that he did not see why Japanese should not influence Manchukuo to establish the Young Emperor in Peiping and eventually as ruler over the whole of China thus making all these a better place for foreigners to live and trade in.

He blamed the Kuomintang Government for the present situation in China as he alleged it to be a "puppet" of Soviet Russia and less desirable than the new state supported by Japan.

He kept on making a point that in the event of

trouble

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

MET

3-#1043 from Peiping via N.R.,
August 31, 8 p. m.

trouble being likely in Peiping good might be done by a demonstration in force of a combined march of all the Legation guards through the city with bugles sounding and bands playing. He also went on to state that he considered that the defence of the Legation quarter would quite possibly be better carried out by active operations in the beginning than by passive defence of manning the walls of the Legation quarters.

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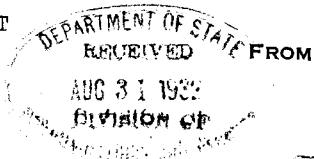
JOHNSON

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

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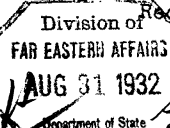
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Peiping via N.R.

Dated August 31, 1932

Rec'd 10:15 a. m.

Secretary of State,
Washington.



1042 August 31, 7 p. m.

Reuter from Shanghai 31st:

"According to Chinese press the Japanese ronins are now organizing societies to combat activities of Chinese 'bloody associations' which are carrying on anti-Japanese activities.

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It is stated that the Japanese 'scarlet cloth society' has sent letter to Hongkew branch of Shanghai Chinese Chamber of Commerce warning it against carrying on anti-Japanese activities and boycotting Japanese goods.

Letter declared that movement has ruined many Japanese merchants and declares the society will resort to drastic action if anti-Japanese societies are not suppressed".

JOHNSON

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793.94/5507

SEP 1 1932

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

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Peiping via NR

Dated August 31, 1932

Recd September 1, 1:29 am.

Secretary of State
Washington.

SEP - 1 1932

DIVISION OF

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Division of
FAR EASTERN AFFAIRS

SEP 1 - 1932

Department of State

1044, August 31, 11 p.m.

Reuter from Shanghai, thirty-first:

"Strong protest against anti-Japanese propaganda in Chinese newspaper was lodged this morning with General Wu Teh Chen Mayor of Greater Shanghai by Captain Sugisaka who especially censures what he describes as misleading reports concerning movements of Japanese bluejackets at Shanghai.

It is believed here that if General Teh Chen's reply is considered unsatisfactory Captain Sugisaka will then request closure of newspapers concerned. Captain Sugisaka is commander of Japanese naval landing party at Shanghai.

Events seem to be moving in the same direction as those which formed prelude to recent Sino-Japanese hostilities at Shanghai.

It is learned that Mr. Murai Japanese Consul General here intends tomorrow to request General Wu Teh Chen Mayor of Greater Shanghai formally to reply within a stipulated time to Japanese protest of August 17 with regard to anti-Japanese movement."

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MP

DEPARTMENT OF STATE
RECEIVED
SEP 2 1932
FROM
Beiping via N.R.

PLAIN
Dated August 31, 1932
Rec'd 9:55 a.m.

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
SEP 2 - 1932
Department of State

1036, August 31, 1 p.m.
Your 294, August 30th. — (9) 2072/27

Following are important excerpts from Lo Wen

Kan's speech:

"Japan has at last thrown down the gauntlet against the conscience of the whole world. The long speech delivered before the Japanese Diet on August 25th by Count Uchida, the Japanese Minister for Foreign Affairs, laid bare Japan's intentions so completely that she need not seek any pretext in the further prosecution of her scheme of aggression in China. Ignoring the entreaties of peace of all humanity, defying the League of Nations and any other machinery of peace, and disregarding her obligations assumed under solemn international treaties, Japan has told the world in effect that she has the right to invade the territory of China, to seize the three eastern provinces, to set up a puppet government and call it an independent state and finally to shape

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

MP

2-#1036 From Peiping August 31, 1 p.m.

shape and control its destiny until Japan and her puppet become one political entity in name as well as in fact. Count Uchida, this is indeed a tale of medieval militarism guised in twentieth century language.

Japan has pleaded self-defense for all her acts of aggression and she now argues that the exercise for the right of self-respect may extend beyond the territory of the power exercising that right and that the Kellogg-Briand Anti-War Pact does not prohibit a signatory power from availing itself of that right at its own discretion. Such a pernicious argument reveals an attempt on the part of Japan to destroy the validity of the Anti-War Pact altogether. If it could be accepted by the other sixty-one signatory powers as a correct interpretation of that epoch making treaty, then the whole document would be a sham and the nations which have renounced war as an instrument of national policy would seem to have reserved the right to fight an aggressive war on the territory of a neighboring power.

In point of fact the signatory powers of that famous treaty, including Japan, mutually agreed that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they might be

which

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MP

3-#1036 From Peiping August 31, 1 p.m.

which might arise among them shall never be sought except by pacific means. If Japan had really suffered injustice to her important rights and interests in China as she now seems to contend she could have resorted to any of the pacific means known in international law to seek due redress from the Chinese Government. Without even bringing any cause of complaint to the knowledge of the National Government Japan on the night of September 18, 1931, caused her troops to open a sudden and unprovoked attack on the Chinese garrison in Mukden and seize that city by force and then deliberately and progressively extended her military operations until the whole of Manchuria is now under her occupation and control. To plead self defense under such circumstances only aggravates the wrong of the pleading party in the recently uttered word of Colonel Stimson, Secretary of State of the United States of America, 'A nation which sought to mask imperialistic policy under the guise of defense of its nationals would soon be unmasked' and Japan has already unmasked herself.

If there were in China a separate movement in the true sense of the term the Nine Power Treaty might not be brought

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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 D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MP

~~4-#1036~~ From Peiping, August 31, 1 p.m.

FROM

brought into play as that treaty is not designated to regulate questions in China of a purely domestic nature. But when a part of Chinese territory has been forcibly seized and occupied by Japan who maintains forcibly an organization of its own creation, there is not the slightest doubt that such actions constitute a flagrant violation of these provisions of the Nine Power Treaty whereby the signatory powers including Japan engage to respect the territorial and administrative integrity of China. Japan's guilt in foiling this treaty commenced with the opening of her attack of the night of September 18, 1931 and has been continually aggravated with each of her subsequent acts including the kidnapping of Pu Yi and placing him at the head of the puppet organization. Her guilt will assume greater proportions but will not be of a different nature when she carries out her declared intention to accord recognition to the unlawful regime that she herself has created.

The Japanese Foreign Minister in attempting to justify Japan's aggression in China referred to our domestic administration and the activities of communists. We do not pretend to possess a perfect administration

free

104

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

MP

5-#1036 From Peiping August 31, 1 p.m.

free from those political vicissitudes common to all countries. Nor do we claim complete successes in our work of suppressing communism thus far undertaken. We also admit that we have been exempt from the effects of the universal economic depression. We were harrassed last year by unprecedented floods and are still suffering from these damaging consequences.

I want to take this opportunity to emphasize a few important points in this policy of the Chinese Government in respect of the present situation.

One. Neither the Chinese Government nor the Chinese people entertain the least anti-foreign feelings. However, in view of the present state of affairs produced by Japanese military aggression it would be absolutely impossible for the Chinese people to express the most cordial and friendly sentiments to the Japanese people. It entirely rests with Japan herself to improve and restore the relations between the Chinese and the Japanese people.

Two. China will never surrender one inch of her territory nor any of her sovereign rights under the stress of military force which she condemns and is determined to resist to the best of her ability.

Three. China will never agree to any solution of the present situation which takes into account the puppett organization of the three eastern provinces
established

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

MP

6-#1036 From Peiping August 31, 1 p.m.

established, maintained and controlled by the Japanese military forces.

Four. China is confident that any reasonable proposal for the settlement of the present situation will be necessary compatible with letter and spirit of the Covenant of the League of Nations and the Anti-War Pact and the Nine Power Treaty as well as with China's sovereign power and will also effectively secure everlasting peace in the Far East."

JOHNSON

WSB

104
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MET

FROM

PLAIN

Peiping via N.R.

Dated August 31, 1932

Rec'd 9:55 a. m.

Secretary of State
Washington.



1036, August 31, 1 p. m.

Your 294, August 30th.

Following are important excerpts from Lo Wen Kan's
speech:

"Japan has at last thrown down the gauntlet against
the conscience of the whole world. The long speech
delivered before the Japanese Diet on August 25th by
Count Uchida, the Japanese Minister for Foreign Affairs,
laid bare Japan's intentions so completely that she need
not seek any pretext in the further prosecution of her
scheme of aggression in China. Ignoring the entreaties
of peace of all humanity, defying the League of Nations
and any other machinery of peace, and disregarding her
obligations assumed under solemn international treaties,
Japan has told the world in effect that she has the right
to invade the territory of China, to seize the three east-
ern provinces, to set up a puppet government and call it

an

F/DEW

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Manchurian

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see corrected
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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

MET

2-#1036 from Peiping via N.R.,
August 31, 1 P. M.

an independent state and finally to shape and control its destiny until Japan and her puppet become one political entity in name as well as in fact. Count Uchida, this is indeed a tale of medieval militarism ^{into} ~~into~~ ^S ~~guilt~~ in twentieth century language.

Japan has pleaded self-defense for all her acts of aggression and she now argues that the exercise for the right of self-respect may extend beyond the territory of the power exercising that right and that the Kellogg-Briand Anti-War Pact does not prohibit a signatory power from availing itself of that right at its own discretion. Such a pernicious argument reveals an attempt on the part of Japan to destroy the validity of the Anti-War Pact altogether. If it could be accepted by the other sixty-one signatory powers as a correct interpretation of that epoch making treaty, then the whole document would be a sham and the nations which have renounced war as an instrument of national policy would seem to have reserved the right to fight an aggressive war on the territory of a neighboring power.

In point of fact the signatory powers of that famous treaty, including Japan, mutually agreed that the settlement or solution of all disputes or conflicts of whatever nature

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

MET

3-#1036 from Peiping, August 31,
1 p. m.

nature or of whatever origin they might be which might arise among them shall never be sought except by pacific means. If Japan had really suffered injustice to her important rights and interests in China as she now seems to contend she could have resorted to any of the pacific means known in international law to seek due redress from the Chinese Government. Without even bringing any cause of complaint to the knowledge of the National Government Japan on the night of September 18, 1931, caused her troops to open a sudden and unprovoked attack on the Chinese garrison in Mukden and seize that city by force and then deliberately and progressively extended her military operations until the whole of Manchuria is now under her occupation and control. To plead self defense under such circumstances only aggravates the wrong of the pleading party in the recently uttered word of Colonel Stimson, Secretary of State of the United States of America, 'A nation which sought to mask imperialistic policy under the guise of defense of its nationals would soon be unmasked' and Japan has already unmasked herself.

If there were in China a separate movement in the true sense of the term the Nine Power Treaty might not be brought

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

MET

4-#1026 from Peiping, August 31,
1 p. m.

brought into play as that treaty is not designated to
regulate questions in China of a purely domestic nature.
But when a part of Chinese ~~(END PART ONE)~~

JOHNSON

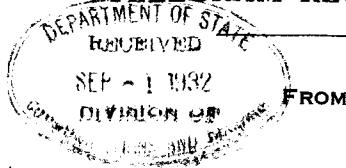
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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TELEGRAM RECEIVED PLAIN



PEIPING VIA N.R.

Dated August 31, 1932

Recd. 905 a.m. Sept 1

Secretary of State

Washington

1036, August 31, 1 p.m. (Part two).

territory has been forcibly seized and occupied by Japan who maintains ~~forcibly~~ an organization of its own creation. There is not the slightest doubt that such actions constitute a flagrant violation of these provisions of the Nine Power Treaty whereby the signatory powers including Japan engage to respect the territorial and administrative integrity of China. Japan's guilt in ~~violating~~ ^{violating} this treaty commenced with the opening of her attack of the night of September 18, 1931 and has been continually aggravated with each of her subsequent acts including the kidnapping of Pu Yi and placing him at the head of the puppet organization. Her guilt ^{will assume greater proportions} ~~different~~ nature, when she carries out her declared intention to accord recognition to the unlawful regime that she herself has created.

but will not be ga

The Japanese Foreign Minister in attempting to justify Japan's aggression in China referred to our domestic administration and the activities of communists. We do not pretend to possess a perfect administration

free

- 2 -

No. 1036, Part two from Peiping
free from those political vicissitudes common to all
countries. Nor do we claim complete successes in our
work of suppressing communism thus far undertaken.
We also admit that we have been exempt from the effects
of the universal economic depression. We were harrassed
last year by ^{unprecedented} floods and are still suffering
from these damaging consequences.

I want to take this opportunity to emphasize a
few important points in this policy of the Chinese Govern-
ment in respect of the present situation.

One. Neither the Chinese Government nor the
Chinese people entertain the least anti-foreign feelings.
However, in view of the present state of affairs produced
by Japanese military aggression it would be absolutely
impossible for the Chinese people to express the most
cordial and friendly sentiments to the Japanese people.
It entirely rests with Japan herself to improve and restore
the relations between the Chinese and the Japanese people.

Two. China will never surrender one inch of her
territory nor any of her sovereign rights under the stress
of military force which she condemns and is determined
to resist to the best of her ability.

Three. China will never agree to any solution
of the present situation which takes into account the
puppet organization of the three eastern provinces
established,

- 3 -

No. 1036, Part two from Peiping established, maintained and controlled by the Japanese military forces.

Four. China is confident that any reasonable proposal for the settlement of the present situation will be necessary compatible with letter and spirit of the Covenant of the League of Nations and the Anti-War Pact and the Nine Power Treaty as well as with China's sovereign power and will also effectively secure everlasting peace in the Far East." (End message).

JOHNSON

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

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TELEGRAM RECEIVED

PLAIN

EJ

PEIPING VIA N.R.

Dated September 1, 1932

Recd. 7.15 a.m.

Secretary of State
Washington



1048. September 1, 5 a.m.

Reuter from Shanghai, September first:

"According to CHINA PRESS this morning the anti-Japanese tension has been tightened by one more incident. The Clock Store which is situated in the heart of Shanghai was bombed last night presumably by the 'bloody guard'.

Since last week the owners of the store, it is stated, have received a warning letter from the group demanding that a search be made for evidences of Japanese merchandise. Despite fact that search was made and evidence was not found without warning last night a bomb was thrown from a motor car from the heart of traffic wherein the bombers quickly disappeared. Shop sustained wreckage but there were no casualties.

According to CHINA PRESS which quotes the EASTERN TIMES a Japanese group called the Red Junket Protection Corps has been formed to oppose activities of Chinese Bloody Group and has warned the merchants that they will retaliate against anti-Japanese boycott with

F/DEW 793.94/5510

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SEP 2 1932

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

TELEGRAM RECEIVED

- 2 -

1048 from Peiping
FROM
with pistols and bombs.

General Tai Chai, Commander of Shanghai and Woosung Garrison, interviewed by CHINA PRESS yesterday deplored lack of sufficient forces in Chinese territory around Shanghai 'to cope with an eventuality'.

While indicating that another Sino-Japanese outbreak of hostilities is unlikely General Tai emphasized importance of strengthening defences and said that no troops are at present stationed at Chapei and whole territory is left in hands of police and peace preservation corps organized by Municipality Government of Greater Shanghai and that only one regiment is stationed at Mantao the other Chinese district.

Asked as to possibility of a detachment of Nineteenth Route Army coming to Shanghai General Tai said that it would be difficult as army is now engaged in suppression of communists in Kien Province."

JOHNSON

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TSB

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

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TELEGRAM RECEIVED

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PLAIN



FROM Peiping via NR

Dated September 2, 1932

Recd 3:35 a.m.

Secretary of State
Washington.



1049, September 2, 10 a.m.

Reuter from Canton, September first:

"The Southwest Executive Committee of Kuomintang telegraphed to Nanking tonight urging immediate despatch of troops outside Great Wall to recover lost territory declaring that if Central authorities further desist from positive resistance the least alternative is to allow freedom of action to patriotic defenders who are ready to sacrifice themselves, otherwise Government will be indirectly contributing to success of Japanese invasion.

The message deplores repeated promises to fight but no actual attempt to dislodge Japanese forces from Manchuria. 'Failure to recover Manchuria will eventually result in the loss of Jehol exposing Peiping and Tientsin to the gravest danger. The crisis now reaches the stage where the only way open is armed resistance. The Central Government, should by all means formulate concrete plans and put its words into action.'

JOHNSON

JS CIB

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793.94/5511

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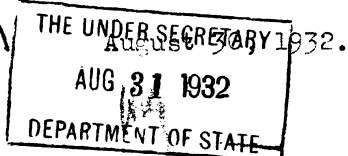
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



CHINESE LEGATION
WASHINGTON



My dear Dr. Hornbeck:

I am herewith enclosing for the information
of the State Department three (3) copies of an
address delivered by Dr. Lo Wen-Kan, Minister of
Foreign Affairs at Nanking, at the Weekly Memorial
Service of Dr. Sun Yat-Sen on August 29, 1932, deal-
ing with the Japanese movement in Manchuria.

I am, my dear Dr. Hornbeck,

Very sincerely yours,

Archieving

First Secretary.

Enclosure:

Copies of address
by Dr. Lo Wen-Kan.

Dr. Stanley K. Hornbeck,

Chief of the Far Eastern Division,

Department of State.

F/DEW

793.94/5512

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7/11/00120 W
500 A4 &
893.01 Manchuria

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

SPEECH DELIVERED BY DR. LO WEN-KAN
MINISTER OF FOREIGN AFFAIRS AT NANKING
AT THE WEEKLY MEMORIAL SERVICE OF DR. SUN YAT-SEN
ON AUGUST 29, 1932.

Japan has at last thrown down the gauntlet against the conscience of the whole world. The long speech delivered before the Japanese Diet on August 29th by Count Uchida, the Japanese Minister of Foreign Affairs, laid bare Japan's intentions completely that she does not need to seek any pretext in the future in the prosecution of her scheme of aggression in China. Ignoring the entreaties for peace from all humanity, defying the League of Nations and other peace machinery, and disregarding her obligations assumed under solemn international treaties, Japan has told the world in effect that she has the right to invade the territory of China, to seize the Three Eastern Provinces, to set up a puppet government and call it an independent state, and finally to shape and control its destiny until Japan and her puppet become one political entity in name as well as in fact. Count Uchida's thesis is indeed a tale of medieval militarism disguised in twentieth century language.

Japan has pleaded self-defence for all her acts of aggression and she now argues that the exercise of the right of self-defence may extend beyond the territory of the power exercising that right and that the Kellogg-Briand Anti-War Pact does not prohibit a Signatory Power from availing itself of that right at its own discretion. Such pernicious argument reveals the attempt on the part of Japan to destroy the validity of the Anti-War Pact altogether. If it could be accepted by the other sixty-one Signatory Powers as a correct interpretation of that epoch-making Treaty, then the whole document would be a sham and nations which have renounced war as an instrument of national policy would seem to have reserved the right

- 2 -

to fight an aggressive war in the territory of a neighboring Power.

In fact the Signatory Powers to that famous Treaty, including Japan, mutually agreed that the settlement or solution of all disputes or conflicts of whatever nature or whatever origin they might be which might arise among them shall never be sought except by pacific means. If Japan had really suffered injuries with respect to her important rights and interests in China, as she now seems to contend, she could have resorted to any pacific means known in international law to seek due redress from the Chinese Government. Without even bringing any cause of complaint to the knowledge of the Chinese National Government, Japan, on the night of September 18th, 1931, caused her troops to open sudden and unprovoked attack on the Chinese garrison at Shenyang (Mukden) and seized that city by force, and then deliberately and progressively extended her military operations until the whole of Manchuria is now under her occupation and control. To plead self-defence under such circumstances only aggravates the wrong of the pleading party. In the recently uttered words of Colonel Stimson, the Secretary of State of the United States of America, "a nation which sought to mask imperialistic policy under the guise of defence of its nationals would soon be unmasked", and Japan has already unmasked herself.

It is a highly preposterous assertion that the puppet organization created and supported by Japan herself has achieved independence through the spontaneous will of the Manchurians and that the Nine Power Treaty does not forbid any separatist movement in China nor recognition by Japan of any new State formed as a result of such a movement.

The whole world knows that in the Three Eastern Provinces there never has been any separatist movement from within, but there has been an aggressive and imperialistic movement from without. It is the Japanese militarists who

- 3 -

have brought all the theatrical paraphernalia to Manchuria and set up on the stage a bogus government styled by the epithet of the Independent State of Manchukuo. It is the Japanese militarists who have translated their own free will into action. It is the Japanese militarists who are browbeating, intimidating, and oppressing the thirty million citizens of the Republic of China, who are prevented by sheer force from asserting their own spontaneous will. Geographically, historically, and psychologically, the Three Eastern Provinces will remain a part of Chinese territory and the inhabitants of these Provinces will remain loyal citizens of the Chinese Republic. With the Japanese troops once withdrawn the bogus organization will at once collapse like a pack of cards.

If there were in China a separatist movement in the true sense of the term, the Nine Power Treaty might not be brought into play, as that Treaty is not designed to regulate questions in China of a purely domestic nature. But when a part of Chinese territory has been forcibly seized and occupied by Japan, who maintains therein an organization of its own creation, there is not the slightest doubt that such actions constitute a flagrant violation of those provisions of the Nine Power Treaty, whereby the Signatory Powers, including Japan, engage to respect the territorial and administrative integrity of China. Japan's guilt in violating this Treaty commenced with the opening of her attack on the night of September 18th, 1931, and has been continuously aggravated with each of her subsequent acts, including the kidnapping of Pu Yi, and the placing of him at the head of the puppet organization. Her guilt will assume still greater proportions but will not be of a different nature when she carries out her declared intention to accord recognition to the unlawful regime she herself has created.

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

- 1 -

Count Uchida knew himself he was making an assertion which was diametrically opposite to the truth when he declared Manchuria had entered upon a career of sturdy and healthy progress. There are unmistakable evidences of the people's opposition to the Japanese domination gathering momentum every day and everywhere in the Three Eastern Provinces. In face of the Japanese bombing and gunfiring volunteer forces keep on their activities with redoubled energy. As for commerce and industry in Manchuria, they have been steadily on the decline since the Japanese occupation and in fact never have economic conditions in that region been worse than they are at present. There will be no peace and prosperity in the Three Eastern Provinces until all Japanese troops have been withdrawn from places where they have no right to appear and until the Chinese Government regains control over the land now temporarily lost to us.

The Japanese Foreign Minister, in attempting to justify Japan's aggression in China, referred to our domestic administration and activities of the communists. We do not pretend to possess a perfect administration, an administration free from those political vicissitudes common to all countries. Nor do we claim complete successes in our work of suppressing communism hitherto undertaken. We also admit we have not been exempt from the effects of the universal economic depression. We were harrassed last year by unprecedented floods and are still suffering from their damaging consequences. Under such circumstances we had believed the Japanese people, like the people of every other nation, would have shown us the greatest sympathy and given us at least moral help in our stupendous task of rehabilitation. That Japan should take advantage of China's internal difficulties and launch a premeditated scheme of military aggression yet unheard of in the annals of the modern world was indeed beyond human conjecture.

RECEIVED IN DEPARTMENT OF INTERIOR AND FOREIGN RELATIONS

- 5 -

Japan has now defied the whole world - the League of Nations, the Anti-War Pact, the Nine Power Treaty and other international commitments, and finally the public opinion of mankind. She is laboring under the fanciful idea that she could realize her dream of military conquest by rushing matters through and creating a fait accompli before the world pronounces its final judgment. But the enlightened nations of the world have already declared they will not recognize any situation brought about by violence.

I want to take this opportunity to emphasize a few important points of policy of the Chinese Government in respect to the present situation.

1. Neither the Chinese Government nor the Chinese people entertain the least anti-foreign feelings. However, in view of the present state of affairs produced by Japan's military aggression, it would be absolutely impossible for the Chinese people to express the most cordial friendly sentiments to the Japanese people. It entirely rests with Japan herself to improve and restore relations between the Chinese and Japanese people.

2. China will never surrender one inch of her territory nor any of her sovereign rights under stress of military force which she condemns and is determined to resist to the best of her ability.

3. China will never agree to any solution of the present situation which takes into account the puppet organization in the Three Eastern Provinces established, maintained and controlled by the Japanese military forces.

4. China is confident that any reasonable proposal for the settlement of the present situa-

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

- 6 -

tion will be necessarily compatible with the letter and spirit of the Covenant of the League of Nations, the Anti-War Pact, and the Nine Power Treaty, as well as with China's sovereign power, and will also effectively secure everlasting peace in the Far East.

Chinese Legation,

Washington, August 30, 1932.

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

September 1 1932

My dear Mr. Kung:

I acknowledge the receipt of your note of August 30, 1932, enclosing for the information of the Department three copies of an address delivered on August 29 by the Minister for Foreign Affairs in regard to the Manchuria situation.

793.94/5512

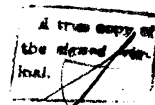
I am, my dear Mr. Kung,

Very sincerely yours,

[Handwritten signature]

Mr. Anching Kung,

First Secretary of the Chinese Legation.



SEP 1 1932

FE:MMH:REK
 9/1/32

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

SEP 1 1932

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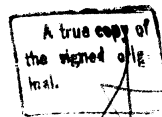
I am, my dear Mr. Kung,

Very sincerely yours,



Mr. Anching Kung.

First Secretary of the Chinese Legation.



511 204 1932.

FE:MMH:REK
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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

SEE 893.00/12128 FOR Tel. #1033, 10am

FROM China (Johnson) DATED Aug. 31, 1932
~~xxx~~ NAME 1-1197 070

REGARDING: conference between Lo Wen Kan and Chiang Kai Shek for the purpose of fixing details of foreign policy in order to stop all possible developments with regard to the Sino-Japanese situation.

dew

793.94/5513

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

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PLAIN

Peiping via NR

Dated August 31, 1932

Recd 5:15 a.m.

Secretary of State

Washington.

1033, August 31, 10 a.m.

Reuter from Nanking thirtieth:

"It is officially announced tonight that Foreign Minister Lo Wen Kan is leaving for Hankow tomorrow morning by aeroplane to confer with General Chiang Kai-shek concerning diplomatic affairs.

From Hankow he will proceed to Kuling to interview Lin Sen, Chairman of National Government for same purpose and it is expected that he will return to Nanking September second or third.

Following today's Executive Yuan meeting Lo Wen Kan and T. V. Soong Minister of Finance held conference for over an hour at the latter's residence. Strict secrecy has been observed with regard to result but conversations are understood to have been connected with situation in Jehol.

Lo Wen Kan's trip to Hankow is held in political circles here to be clear indication of Government's utmost anxiety over Sino-Japanese situation as result of latest

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

-2- # 1035 from Peiping, August 31, 1932.

latest manifestations of Japanese attitude, especially Tokyo's determination to recognize Manchukuo in September.

Necessity is generally emphasized in Government circles for Government to fix details of foreign policy in order to be prepared to stop all possible developments.

It will be recalled that few days ago Lo Wen Kan was requested to visit Kuling for a conference with General Chiang Kai-shek and Lin Sen but was unable to proceed owing to acute eye trouble. Now that Foreign Minister has recovered it is felt that conference with the two leaders cannot be further delayed in view of approaching League Assembly and latest turn for worse in Sino-Japanese affairs."

JOHNSON

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

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FROM

PLAIN

Peiping via NR

Dated September 2, 1932

Recd 3:26 a.m., 3rd.



Secretary of State
Washington.

1055, September 2, 11 p.m.

Reuter from Shanghai, second:

"In an effort to maintain peace of Shanghai and counteract the acts of bloody groups during past few months in anti-Japanese boycott, General Wu Tiah Chen, Mayor of Greater Shanghai issued circular letters yesterday warning populace against acts of violence and spreading false rumors of another war.

Letter also exhorted Chinese citizens to maintain calm notwithstanding terror they might feel at war rumors as these are absolutely unfounded. Mayor said 'I plodge with greatest courage and firmest faith to do everything within my power to safeguard peace and order which I consider most essential of stopping stones to rehabilitation of Greater Shanghai from war ruins. I deeply regret that groundless rumors are being circulated which have forced Chinese residents from their homes in anticipation of calamity which does not threaten.'

Edwin

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893.1025

F/V

793.94/5514

FILED

SEP 7 1932

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

-2- # 1055 from Peiping, September 2, 1932.

Edwin S. Cunningham, American Consul General
expressed confidence that there would be no trouble
in future in Shanghai."

JOHNSON

JS CIB

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

5515

DOCUMENT FILE

NOTE

SEE 693.9412/298 FOR Tel. # 577, noon

FROM Shanghai (Cunningham) DATED Aug. 27, 1932
TO _____ NAME _____ 1-1127 ***

REGARDING: Local Sino-Japanese situation remains substantially the same. The feeling is steadily growing that affairs are drifting to condition resembling that of Japan last April. Japanese marines are patrolling nightly in Hongkew area and are making trips to Kiangwan and Chapei allegedly for sight-seeing purposes.

793.94 / 5515

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

5516

DOCUMENT FILE

NOTE

SEE 811.43-Institute of Politics/75 FOR letter

FROM Institute of Politics, (Norton.) DATED Aug. 3, 1932.
TO Williamstown, Mass. NAME 1-1137 o.p.

REGARDING: Program as finally arranged for the discussion of the Sino-Japanese conflict at the Institute brings the two General Conferences on this subject on Aug. 18 and 22. Discussion on the 18th to be confined to the states immediately concerned. On the 22nd the subject will be the interest of other countries in the affair, naturally with a special emphasis upon our own relation to it and our resulting policy.

th

793.94/5516

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

5517

DOCUMENT FILE

NOTE

SEE 894.00-P.R./56 FOR #81

FROM Japan (Grew) DATED Aug. 5, 1932
~~EX~~ NAME 1-1127 ***

REGARDING: Japanese military activities in Jehol.

793.94/ 5517

dew

0074

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

(f) Military Activities in Jehol.*

On the pretext of rescuing one Genshiro Ishimoto, who was captured by the Chinese while on an alleged official Japanese mission to confer with the Governor of Jehol on the subject of the opium traffic, the Japanese have sent some detachments into Jehol Province. As this province is claimed by "Manchukuo" there is a strong probability that the Japanese Army will soon occupy it and thereby cut the communications of Chang Hsueh Liang with his forces in the west and north of Manchuria. Very little is known in Tokyo concerning the extent of the military activities in Jehol province. However, it is believed that the Japanese policy is not to push forward their operations until the League of Nations Commission of Inquiry has departed from the Far East and submitted its report.

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

5512

DOCUMENT FILE

NOTE

SEE 893.01-Manchuria/408 FOR Tel. #1024, 5pm

FROM China (Johnson) DATED Aug. 29, 1932
NAME 1-1127 ***

REGARDING: Chinese raiders' attack on Mukden.

793.94/5518

dew

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

FE

MET

PLAIN

Peiping via N.R.

Dated August 29, 1932

Rec'd 11:35 a. m.

Secretary of State,
Washington.

1024, August 29, 5 p. m.

Reuter report from Tokyo 28th:

"Messages from Mukden state that heavy fighting has broken out in and around city following attack early in morning by strong bands of Chinese raiders at several points, including Japanese air base, wireless station and arsenal, causing fires at arsenal and air base and compelling Japanese to call out all available troops, gendarmes and police, also tanks. Severe fighting is continuing.

Further messages from Mukden state that attacks which were well conceived raids of groups of several hundred each, closely followed arrival of General Muto, Japan's supreme representative in Manchuria, to take over command of Japanese forces from General Honjo, hitherto Japanese commander-in-chief in Manchuria. Japanese assert that portion of Chinese police joined raiders and participated in attack.

It is alleged also that Chinese chief of police in Mukden has recently been communicating with Marshal Chang

Hsueh

893.01-Manchuria/408

7/3.94

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

MET

2-#1024 from Peiping via N.R.,
August 29, 5 p. m.

Hsueh Liang in Peiping and helped to plan raids.

After daylight it was reported that majority of raiders who are believed to consist mainly of volunteers and other guerilla formations in alleged alliance with Marshal Chang Hsueh Liang were retreating to the South".

JOHNSON

RR-CSB

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

5519

DOCUMENT FILE

NOTE

SEE 893.00-P.R. Nanking/54 FOR #315

FROM Nanking (Peck) DATED Aug. 5, 1932
~~xxx~~ NAME 1-1127 o p o

REGARDING: Sino-Japanese relations.

793.94/ 5519

dew

- 9 -

POLITICAL

(1) Foreign Affairs

(a) Relations with Japan

On July 23 the Ministry of Foreign Affairs announced that it had no objections to the appointment of Mr. Akara Ariyoshi as Japanese Minister to China. The new Minister was recently Ambassador to Brazil, but 11 years of his earlier diplomatic career were spent in China. At the time of his appointment rumors intimated a desire on the part of the Chinese to negotiate directly with Japan, but the Chinese Government categorically denied these rumors.

Events in the Northeast were discussed by a conference of intellectual leaders in international law and relations which was held in Nanking in the early part of July. Hu Shih, V. K. Ting, Hsu Shu-hsi and Jen Hung-chun, were among those who attended. They expressed their opinion that -

- 1) no treaty should be signed with Japan which would give legal validity to any aggressions,
- 2) the Chinese volunteer armies should be supported,
- 3) no undue reliance should be placed upon the League of Nations,
- 4) more attention should be given to international publicity,
- 5) the attention of the Powers should be directed to the proposal for the Japanese recognition of Manchukuo, and
- 6) relations with Russia should be resumed.

After the Ishimoto incident, and the reported bombardment of Jehol, the Federation of the National Salvation Association telegraphed to Chang Hsueh-liang and Wang Ching-

wei.

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

- 10 -

Wang Ching-wei, begging them to "do something". In response, Wang Ching-wei addressed a telegram to all military and civil authorities calling upon people to unite, to observe law and order, and to resist the aggressor. The Chinese Government protested to Japan and the League of Nations concerning the Jehol Incident and it instructed its representatives abroad to keep their respective countries informed of current developments. At its meeting on July 21, the Central Political Council re-endorsed the policy of armed resistance -- all the members present announced their determination to resign en bloc should the military authorities fail to put up a fight against the Japanese invaders. (Peoples Tribune, August 1, 1932 page 2).

The Ministry of Communications on July 23 issued an order for a postal blockade of Manchuria. The Japanese established emergency post offices in Shan ai and Tsingtao, whereupon the National Government protested on July 26 that these post offices seriously infringed upon Chinese postal rights and violated the undertaking to abolish post offices in China given by Japan at the Washington Conference. However, the embargo on mails to and from Manchuria continues and no postal matter addressed to the Three Eastern Provinces is accepted by the Hankow Post Office.

On July 26 the Ministry of Finance announced in the press that the Customs receipts for the month of July, 1932, would amount to 2,400,000 Hk. taels or 2,700,000 Hk. taels less than the payments due on Custom-secured obligations. It blamed the "callous action of Japan in

seizing

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

- 11 -

seizing the Manchurian Customs and the military activity of Japan in Manchuria and Shanghai" for this deficit and added that 2,000,000 Yk.tails in Yokohama Specie Banks in Dairen and Newchwang were not resitted because of a prohibition by Manchukuo authorities. It concluded by saying that "it is unfortunate that an increasingly serious repercussion of the world depression upon Chinese finances should be so aggravated by the action of Japan in seizing Chinese revenues which have been solemnly pledged to meet international obligations." Subsequently, it announced on July 30 that the 33,000 pounds payment on the installment of the Japanese portion of the Boxer Indemnity due at the end of July would be held up for the time being. It stated that "the Japanese seizure of the Manchurian revenues contributes to the shortage of revenue in relation to loan and indemnity commitments, so China is not in a position to continue payments to Japan as heretofore."

On July 29 Router reported that the Executive Yuan had decided upon a Customs blockade of Manchukuo but had set no date for its enforcement.

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

5520

DOCUMENT FILE

NOTE

SEE 693.001/326 FOR Letter

FROM Commerce Department (Arnold) DATED July 19, 1932
TO _____ NAME _____ 1-1127 070

793.94/5520

REGARDING: Confidential report on "Open Door in Manchuria"

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

5521

DOCUMENT FILE

NOTE

793.94/5521

SEE 741.93/63 FOR Tel. 1045- Sam

FROM China (Johnson) DATED September 1, 1932
TO NAME 1-1127 ...

REGARDING: Relations between China and Japan. Comment in CENTRAL
DAILY NEWS on Britain's Far Eastern Policy and Sino-British
relations. Of opinion that Britain cannot remain undecided
at present critical moment outcome of which is vital to permanent
peace of Far East and British economic revival. Views in this
newspaper as to reason for formation of now defunct Anglo-
Japanese alliance.

fp

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

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PLAIN

Peiping via NR

Dated September 1, 1932

Recd 3:42 a.m.

DX

Secretary of State
Washington.

1045, September 1, 8 a.m.

Reuter from Nanking August thirty-first:

"Commenting on Britain's Far Eastern policy and Sino-British relations official CENTRAL DAILY NEWS expresses opinion that Britain cannot remain undecided at present critical moment outcome of which is vital to permanent peace of Far East and British economic revival.

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74194
79394

British statesmen in formulating policy must look forward a century. Hence the journal expresses dissatisfaction with lack of comment on part of official British circles in connection with speech made by Count Uchida Japanese Foreign Minister in Imperial Diet concerning Manchuria.

CENTRAL DAILY NEWS voices view that the now defunct Anglo-Japanese alliance was formed against Russia and although it checked Russia's influence in Far East it provided Japan with opportunity for aggression in China and Manchuria."

JS CIB

JOHNSON

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

5522

DOCUMENT FILE

NOTE

793.94/5622

SEE 894.00/431 FOR #1797

FROM Mexico (Clark) DATED Aug. 22, 1932
TO NAME 1-1127 ...

REGARDING: Sino-Japanese relations. Copy of memorandum of conversation with Japanese Minister in which the Minister made certain statements with regard to --.

tfr

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

5523

DOCUMENT FILE

NOTE

793.94 / 5523

SEE 800.51 W 89/570 FOR descriptive entry

FROM _____ (_____) DATED August 29, 1932.
TO _____ NAME 1-1127 ***

REGARDING:

Sino-Japanese conflict.

During a press conference held at the State Department a correspondent made an inquiry relative to the real situation at Shanghai. In reply the Acting Secretary, Mr. Castle stated there was apparently no danger as far as foreigners are concerned.

mc

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

5524

DOCUMENT FILE

NOTE

SEE 893.01-Manchuria/401 FOR Tel.#998-noon

FROM China (Johnson) DATED Aug.24,1932
TO --- NAME --- 1-1127 ***

793.94/55.24

REGARDING: Japanese armored train attacked by bandits,
near Manling in Jehol Province. In view of
widespread banditry military operations in that
region appear unlikely.

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

FE

MET

GRAY

Peiping via N.R.

Dated August 24, 1932

Rec'd 6:05 a. m.

Secretary of State,
Washington.

998, August 24, noon.

Following from American Consul General at Mukden,
"August 22, 5 p. m.

A foreign passenger reports that on August 19th 200
bandits Paichipu on Fengtien-Shanhaikwan Railway rushed
from cover of Kailiang and fired several volleys at short
range into north bound passenger train killing two persons.
They escaped before guards could take effective measures.
Due to the frequency of bandit attacks travel on this line
considered unsafe at present.

All services suspended on Mukden-Hailung Railway and
bandits occupy station towns Yinghan and Shantou. Bandit
menace to Fushun, Anshan and Liaoyang regarded as serious.
According to official sources there have been three attacks
on South Manchurian Railway south of Mukden since the 20th.

According to a press report a Japanese armored train
carrying to Nanling, in Jehol Province, special service
officer Yoshioka for the purpose of negotiations with Jehol
commander

note
793.94

893.01 - Manchuria/401

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

MET

2-#998 from Peiping via N.R.,
August 24, noon.

commander in regard to Ishimoto case was attacked by 200
Jehol soldiers near that point on August 19th. Soldiers
dispersed and town occupied but evacuated next morning
when Japanese retired to border. Local Japanese official
quarters confirm this report but minimize its importance.
In view of widespread banditry military operations in that
region appear unlikely".

JOHNSON

KLP-WSB

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

TELEGRAM RECEIVED

FROM



MET

Peiping

This telegram must be closely paraphrased before being communicated to anyone.

Dated September 3, 1932

Rec'd 5:39 a. m.

Secretary of State,

Washington.

1059, September 3, 2 p. m.

My 1043, August 31, 8 a. m.



793.94

American Naval Attache in recent conversation with Colonel Watari (former Japanese Military Attache to Washington) who has been attached to Japanese assessor with League Commission was told by the latter that the Japanese, except in the event of serious provocation, has no intention of occupying the Peiping-Tientsin area. He stated that he personally disapproved of the night maneuvers of the Japanese Legation guard into Chinese territory and that he has so informed the local guard commander. Colonel Watari stated that he was going to Tokyo in a few days to take up his duties as a member of the General staff and that he felt sure that he could bring the necessary pressure to bear to stop the maneuvers. He also stated that of all places Peiping was the one where fighting should be avoided.

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793.94/5525

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JOHNSON

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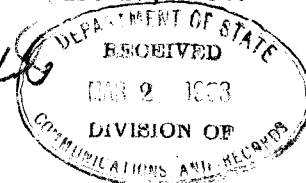
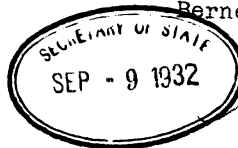
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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75



THE UNDER SECRETARY
 SEP 9 1932
 DEPARTMENT OF STATE

LEGATION OF THE
 UNITED STATES OF AMERICA

Berne, August 27, 1932.



My dear Mr. Secretary:

I reached Geneva yesterday from Corsica and I at once went to the Secretariat to ascertain the latest developments in the Far Eastern question. The Secretariat was practically deserted as most of its personnel is on vacation, but I found Avenol in charge and had a talk with him. He confirms the schedule which Drummond gave me and which I reported to you in my 102, July 23, 4 p.m., from Geneva. Nothing has occurred as yet which will change their plans. After cautioning me not to regard his remarks as official or as anything but his personal reflections, he stated that he was under the impression that the report would show the unreality of the pretexts which led to Japan's action in Manchuria and might suggest the formation of an autonomous state under Chinese sovereignty. His personal impression is that the character of the report will be such that it is almost incredible that Japan will accept it. If this is the

case

The Honorable
 Henry L. Stimson,
 Secretary of State,
 Washington, D.C.

F/HS

793.94/5525-1/2

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

-2-

case then he feels that the League must make its position vigorously and definitely clear as it cannot acquiesce in violations of the Covenant. In fact Avenol talked to me in a more vigorous and definite manner than I had previously experienced from him.

On returning to the Consulate I found a message from Dave Reed saying he was coming in from Aix-les-Bains and asking me to lunch with him. We discussed the matter contained in your letter to him and I feel that you are wise in making this suggestion, since during these few weeks the nations of Europe, and Japan as well, should feel the deep interest of the American Government in the matter, and should listen to someone speaking who carries conviction as an influential statesman of the country. I can and will work happily and I believe usefully with Dave. I hope nevertheless that if you decide to announce that you are asking him to undertake this task, you will do it in such a way that there will be no chance of the impression being created in Geneva that I have lost the confidence of the President and yourself. It is important, I think, that this impression should not be created as I must continue to work with these gentlemen in the future.

I am, my dear Mr. Secretary,

Very sincerely yours,



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

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

TELEGRAM RECEIVED

MET

DEPARTMENT OF STATE
 RECEIVED
 SEP - 4 1932
 DIVISION OF

FROM GRAY

Shanghai via N.R.

Dated September 3, 1932

Rec'd 2:35 a. m., 4th

Secretary of State
 Washington

Division of
 FAR EASTERN AFFAIRS
 SEP 6 - 1932
 Department of State

383, September 3, 1 p. m. (SECTION ONE)

My telegram No. 377, August 27, noon.

One. Following are principal developments in local Sino-Japanese situation during past week: Mayor Wu issued declaration September 1st declaring he is determined to suppress lawlessness with all lawful means at his disposal and will spare no efforts to curb the activities of the rumor mongers. He calls on all citizens to support him in his efforts. Declaration has been well received by Chinese and foreign press.

Two. On August 31st and again on night of September 2nd Japanese marines in trucks on Nanking Road seized Chinese in retaliation for alleged insults and it was only through prompt and efficient action of the Settlement police that Chinese escaped being taken to Japanese headquarters.

CUNNINGHAM

WSB

F/H/S

793.94/5526

RECEIVED

SEP 13 1932

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

Paraphrase sent to ONI + MID

SEP - 8 1932

REP

CORRECTED COPY

This telegram must be
closely paraphrased be-
fore being communicated
to anyone.

SHANGHAI

Dated September 3, 1932

Rec'd 2:11 a.m.

Secretary of State,

Washington.

383, September 3, 1 p. m. (SECTION TWO)

CONFIDENTIAL.

In my opinion the action of these Japanese marines
in trucks parading through streets in Settlement and
outlying districts is provocative and utterly
unwarranted. (I am convinced that no pressure that can
be brought to bear locally will succeed in stopping it.)
I am informed Japanese marines are again occupying
Japanese mills in American defense sector. Repeated
to the Legation for information.

CUNNINGHAM

CSB

793.94/5526

793.94/5526

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

PARAPHRASE

September 3, 1932.
From Shanghai.

Section Two.

The action of the Japanese marines parading in trucks through the streets in outlying regions and in the Settlement is considered unwarranted and provocative. No pressure brought to bear locally will stop such action. Japanese mills in American defense sector are again being occupied by Japanese marines, I am informed. Legation informed of above.

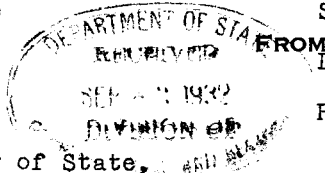
CUNNINGHAM

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

MP

This telegram **TELEGRAM RECEIVED**
 closely paraphrased be-
 fore being communicated
 to anyone

Shanghai



Dated September 3, 1932

Rec'd 2:11 a.m.

Secretary of State,

Washington.

383, September 3, 1 p.m. (SECTION TWO)

CONFIDENTIAL.

In my opinion the action of these Japanese
 marines in trucks parading through streets in Settlement
 and outlying districts is provocative and utterly un-
 warranted. I am convinced that ^{NO} pressure that can be
 brought to bear locally will succeed in stopping it.
 I am informed Japanese marines are again occupying
 Japanese mills in American defense sector. Repeated to
 the Legation for information.

CUNNINGHAM

CSB

See Created Copy
[Signature]

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 7, 1932.

✓
MMH:

Warrington Dawson's
report No. 1106 of August 23,
1932, encloses a copy of an
article which appeared in
LE TEMPS by Andre Dubosq,
which contains nothing new
and need not be read.

LES:CLS

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



AM. RECD

EMBASSY OF THE

UNITED STATES OF AMERICA



Aug 23, 1932.

SEP 3 32

SPECIAL REPORT

(No. W. D. 1106)



To the Secretary of State,

Washington, D. C.

The American Ambassador forwards here-
 with Mr. Warrington Dawson's Special Report
 No. W. D. 1106, dated August 23, 1932.

F/HS 793.94/5527

FILED
 SEP 8 1932

WD/DBS

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



EMBASSY OF THE
UNITED STATES OF AMERICA

Paris, August 23, 1932.

Serial No. W. D. 1106.

SPECIAL REPORT,

By Warrington Dawson,
Special Assistant.

SUBJECT: "The Americans and the Problem of the
Pacific," an Article in LE TEMPS by
André Duboscq

André Duboscq begins his present article by quoting from an article by B. de Maud'huy, American correspondent of LE TEMPS, published August 19, 1932, discussing the Secretary of State's recent speech and the American policy in the Far East, saying notably that the State Department and American public opinion are extremely preoccupied over the events which have occurred in Manchuria and at Shanghai, and that the Secretary of State, as former Governor-General of the Philippines, particularly considers as essential the question of the Pacific. The correspondent of LE TEMPS furthermore remarked:

"The political tradition of the United States rests on the principle that for the security of the United States and American possessions, as well as for the protection of American interests in the Far East, no Power

must

F/HS

793.94/5527

-2-

must acquire supremacy in the Western part of the Pacific. It is consequently always opposed to zones of influence. The United States will do everything in its power to maintain the Open Door policy and respect for the stipulations of the Treaty of Washington."

Commenting upon this article in LE TEMPS of August 23, 1932, André Duboscq quotes another sentence as follows:

"The evolution of the American policy towards a concerted action of the Great Powers in favor of the maintenance of peace is thus readily explained by events in the Far East. Experience has proved that only this pressure could present a sufficient menace to stop Japan."

Duboscq gives his approval to this statement, recalling what he himself had to say about the Problem of the Pacific in his article published July 25, 1932, (see Special Report No. W. D. 1091 of July 23, 1932). *see 711.94/1706*

Discussing the Far Eastern question generally, and a further remark contained in the letter of the Temps correspondent, to the effect that "Washington wishes to be able to dispose of the pressure of the Great Powers in case a new military Government in Tokyo tries to repeat an operation similar to the one in Shanghai," Duboscq goes on to remark:

"One

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-

"One cannot help establishing a parallel between this policy of safeguard and the policy which led in 1921 to the Washington Conference, when Japan had to bow before the unanimous intransigence of the Powers convened by America. Nevertheless, it was observed shortly after that the problem of the Pacific has not been solved by the Conference, that peace had not been soundly assured, that competition was arising more than ever, and that China, inspiring the policy of Japan more than ever since the rupture of the Alliance which had Europeanized the latter, left Japan once again unreservedly to her Asiatic destinies.

"The problem will not be solved if, as a consequence of a new American initiative which we are now witnessing, Japan withdraws into herself as she knows how to do. The solution might even be more remote since the international position of Japan will probably not be tomorrow what it is today. We mean that Japan is perhaps on the eve of recovering her independence with respect to the Powers forming part of the League of Nations. Everything depends upon the contents of the Report of the Lytton Commission in Manchuria. It has become evident to everybody that after the declarations made recently by various officials in Tokyo, Japan will not hesitate to withdraw from the League of Nations if this Report proves

at

-4-

at all embarrassing to what Count Ishii calls Japan's Pacific Development on the Asiatic Continent, a formula as elastic as could be desired and which amply preserves the future."

Duboscq concludes by remarking that the Chanceries are manifestly preoccupied over coming events, and some seem to fear grave difficulties extending beyond the limits of Manchuria.

The originals of both these articles are enclosed.

Very respectfully,

Warrington Dawson

Warrington Dawson,
Special Assistant.

List of Enclosures:

1. Excerpt from LE TEMPS,
August 23, 1932;
2. Excerpt from LE TEMPS,
August 19, 1932.

In quintuplicate

851,9111/6a

WD/DRS

Encl. #1 to Special Report #WD 1106 of Aug. 23, 1932.

Excerpt from LE TEMPS of August 23, 1932.

From the Embassy, Paris.

Questions extérieures

LES AMÉRICAINS et le problème du Pacifique

Commentant le discours de M. Stimson, secrétaire d'Etat des Etats-Unis, le correspondant particulier du *Temps* à New-York concluait: « L'évolution de la politique américaine vers une action concertée des grandes puissances en faveur du maintien de la paix s'explique aisément par les événements d'Extrême-Orient. L'expérience a prouvé que seule cette pression pouvait constituer une menace suffisante pour arrêter le Japon. » Cette conclusion est, selon nous, très juste. L'affaire de Mandchourie a précisé une fois de plus et d'une nouvelle manière le problème du Pacifique, dont la réalité, écrivions-nous ici le 25 juillet, s'impose de plus en plus aux yeux les moins exercés.

Pressentant à cette date le contre-coup des événements de Mandchourie sur les rapports nippon-américains, nous rappelions certain passage d'un discours prononcé en juin, à Tokio, par le vicomte Ishii, ancien ambassadeur à Washington. Envisageant les possibilités de conflit entre le Japon et les Etats-Unis, il en voyait une sans hésiter dans le cas où ces derniers tenteraient « de dominer l'Asie (moralement et économiquement s'entend) et s'opposeraient au développement pacifique du Japon sur le continent asiatique ». Aussi, fût, disions-nous, les Américains ombrageux comparaient ces paroles à une sorte de doctrine de Monroe asiatique, et même, si l'on s'en rapportait aux articles parus dans la presse de New-York, l'intervention actuelle des Japonais en Mandchourie était déjà aux yeux des Américains l'application de cette doctrine.

Or voici que cette impression est suivie d'une interprétation du pacte Briand-Kellogg par le secrétaire d'Etat des Etats-Unis qui se traduit par un désir de ces derniers de se rapprocher des puissances.

On se souvient qu'au début de l'année les Américains avaient tenté ce rapprochement contre l'action du Japon en Mandchourie et que, devant le peu d'empressement marqué par certaine puissance à se lancer dans une affaire qui risquait d'ailleurs de compliquer la situation internationale déjà suffisamment délicate, ils avaient adopté à l'égard du Japon une attitude extrêmement modérée. Elargissant leur horizon politique, ils englobent aujourd'hui le cas spécial qui les occupe dans une mesure générale; mais, comme l'écrit en-

core le correspondant du *Temps*: « Washington désire pouvoir disposer d'une pression des grandes puissances au cas où le nouveau gouvernement militaire de Tokio tenterait de renouveler une opération similaire à celle de Shanghai. »

On ne peut s'empêcher de faire un parallèle entre cette politique de sauvegarde et celle qui aboutit en 1921 à la conférence de Washington, où le Japon dut s'incliner devant l'intransigeance unanime des puissances convoquées par l'Amérique. L'on ne tarda pas toutefois à s'apercevoir alors que le problème du Pacifique n'avait pas été résolu par la conférence, que la paix n'avait pas été solidement assurée, que les compétitions reprenaient de plus belle, que la Chine inspirait la politique du Japon plus encore depuis que la rupture de l'alliance qui européanisait celui-ci le rendait sans réserve à ses destinées asiatiques.

Que, devant la nouvelle initiative américaine à laquelle nous assistons, le Japon rentre de nouveau en lui-même comme il sait le faire, le problème n'en sera pas pour cela résolu. Il pourrait l'être d'autant moins que la position internationale du Japon menace de ne plus être demain ce qu'elle est aujourd'hui. Nous voulons dire que le Japon est peut-être à la veille de reprendre son indépendance vis-à-vis des puissances membres de la Société des nations. Tout dépend de ce que contiendra le fameux rapport de la commission Lytton en Mandchourie. Il est devenu évident pour tout le monde qu'après les déclarations faites ces temps-ci par diverses personnalités officielles de Tokio, le Japon n'hésitera pas à se retirer de la Société des nations. Si ledit rapport gêne en quelque manière ce que le vicomte Ishii appelait « son développement pacifique sur le continent asiatique »; formule aussi élastique que l'on veut et qui réserve amplement l'avenir.

Le bruit court depuis un mois que, malgré l'effort de la commission pour éviter de compliquer la situation internationale, ce rapport ne contentera pas le Japon. On laisse même entendre à présent que le mécontentement de celui-ci se traduira par son départ de Genève. Il faut reconnaître que la situation des rédacteurs de ce rapport est fort embarrassante. Pris entre la crainte de provoquer ce départ désastreux pour le prestige de la Société des nations et celle d'affermir le Japon dans une position qui porte ombrage aux Etats-Unis, leur sort n'est pas enviable.

Les chancelleries sont manifestement préoccupées de ce qui suivra. Certaines paraissent redouter de sérieuses difficultés, et leurs préoccupations dépassent les limites de la Mandchourie. Le souvenir de la conférence

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

de Washington pèse sur elles. Le détachement du Japon de la Société de Genève n'est pas fatalement pour lui l'isolement qui naguère encore eût pu les rassurer.

Quoi qu'il en soit, il faut attendre sans redouter le pire, sans escompter le mieux, car, suivant le mot de Frédéric le Grand, « tout le mal comme tout le bien qu'on prévoit n'arrive pas ». Il faut éviter en tout cas de tenir une solution éventuelle de l'affaire de Mandchourie comme un événement décisif. L'affaire de Mandchourie n'est, nous le répétons — et l'attitude des Etats-Unis le prouve, — qu'une difficulté de plus ajoutée à toutes celles qui constituent le problème du Pacifique ou de la concurrence internationale, et en particulier des Etats-Unis et du Japon, en Extrême-Orient.

ANDRÉ DUBOSQ.

Encl. #2 to Special Report #WD 1106 of Aug. 23, 1932.

Excerpt from LE TEMPS of Aug. 19, 1932.

From the Embassy, Paris.

Lettre des Etats-Unis

LE DISCOURS DE M. STIMSON
et la politique américaine en Extrême-Orient

(De notre correspondant particulier)

New-York, août.

Le discours de M. Stimson est la première interprétation officielle donnée au pacte Briand-Kellogg. Dans un pays où la politique extérieure est basée sur les précédents et où un texte, en quelque sorte, cristallise l'action du gouvernement, il est donc particulièrement important, car il représente désormais la doctrine américaine. Si un conflit survient ou s'il y a danger de guerre au cours des prochaines années, la politique du département d'Etat de Washington sera déterminée par les principes qui y sont posés.

Comme par le passé, en matière d'action contre les pays fauteurs de troubles, c'est la pression de l'opinion internationale que M. Stimson considère comme le moyen le plus efficace d'empêcher la guerre. Les Etats-Unis restent officiellement opposés à l'application de toute sanction économique ou militaire, mais le discours de M. Stimson présente deux caractéristiques qui montrent combien la notion de la solidarité des Etats-Unis avec le reste des puissances et de la nécessité d'une action commune pour le maintien de la paix s'est développée.

D'une part, afin de prévenir un conflit possible, M. Stimson propose d'organiser cette pression de l'opinion publique internationale. Il veut lui donner les moyens de s'exercer et mettre à sa disposition une sanction qui, si elle n'est que morale, peut néanmoins être effective.

La mobilisation de l'opinion publique s'opérerait par une consultation immédiate des puissances en cas de conflit et sa sanction serait de ne pas reconnaître l'état de fait créé en faveur d'un pays quelconque fauteur d'agression.

D'autre part, au cas où le conflit aurait éclaté malgré l'intervention des puissances, M. Stimson met en évidence la transformation de la notion de neutralité que comporte le pacte de Paris. Pour lui, la neutralité n'est plus un état passif. Les neutres sont tenus de considérer l'Etat agresseur comme hors la loi. Quelles conséquences une telle mise hors la loi entraîne-t-elle? M. Stimson ne le précise pas, mais le principe est posé et pour quiconque connaît l'attachement des Etats-Unis à ne limiter en rien leurs droits et leurs actions vis-à-vis des belligérants, une telle modification de la notion de neutralité dénote un progrès considérable.

Cette évolution de la doctrine politique américaine est due essentiellement à la situation en Extrême-Orient.

Le département de Washington et l'opinion américaine sont extrêmement préoccupés des événements qui se sont déroulés en Mandchourie et à Shanghai. Pour M. Stimson, qui a été gouverneur général des Philippines, plus que pour tout autre, la question du Pacifique est essentielle.

La politique traditionnelle des Etats-Unis repose sur le principe que pour la sécurité des Etats-

Unis et des possessions américaines, ainsi que pour la protection des intérêts américains en Extrême-Orient, aucune puissance ne doit acquérir la suprématie dans l'Ouest du Pacifique. Elle s'est en conséquence toujours opposée au principe des zones d'influence. Les Etats-Unis feront tout ce qui est en leur pouvoir pour maintenir le principe de la porte ouverte en Chine et le respect des stipulations du traité de Washington.

Les événements de Mandchourie et de Shanghai constituaient un coup direct à cette politique et ont démontré à l'opinion américaine que le Japon était décidé à poursuivre énergiquement sa politique d'expansion en Chine, même en heurtant au besoin les intérêts acquis des autres puissances. La Mandchourie sous le contrôle japonais était une première atteinte au principe de la porte ouverte; l'occupation de Shanghai pour répondre au boycottage des produits japonais en était une autre. La politique américaine était mise en échec. Au mois de février, les Etats-Unis et le Japon se sont trouvés extrêmement près d'un conflit. Le gouvernement de Washington envisageait quelles mesures il pouvait prendre pour faire reculer le Japon. Dans les conditions actuelles d'armement et de ravitaillement des deux marines, les Etats-Unis n'avaient aucune possibilité de mener à bien une action offensive contre le Japon dans le Pacifique ouest. De plus, Washington désirait à tout prix, éviter une telle éventualité. D'autres mesures, d'ordre économique, telles que l'embargo, furent alors discutées, mais l'on s'est aperçu rapidement que les Etats-Unis y perdraient plus encore que le Japon. La pression morale restait donc la seule arme de Washington contre Tokio. Les Etats-Unis protestèrent auprès du gouvernement japonais, mais s'aperçurent très vite que seule une action concertée des grandes puissances pouvait avoir quelques chances de succès. Tant que Tokio pouvait croire à un désaccord, tout au moins latent entre les grandes puissances, aucun résultat ne pouvait être obtenu. De là, les négociations précipitées avec Londres, Paris et Rome, suivies d'une protestation commune et de l'armistice de Shanghai.

La situation de Shanghai a été réglée par la suite, marquant ainsi un succès de la pression concertée des grandes puissances.

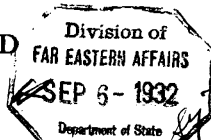
Restait la situation en Mandchourie. Là, l'action des grandes puissances s'était fait sentir trop tard pour avoir pu obtenir un résultat positif quelconque. La seule arme qui restait à la disposition des Etats-Unis était de ne pas reconnaître l'état de choses créé par l'occupation japonaise en Mandchourie. Mais, pour que cette mesure fût efficace, il était nécessaire que les autres puissances adoptent le principe posé par le département d'Etat. De là, les efforts de M. Stimson à Genève.

L'évolution de la politique américaine vers une action concertée des grandes puissances en faveur du maintien de la paix s'explique donc aisément par les événements d'Extrême-Orient. L'expérience a prouvé que seule cette pression pouvait constituer une menace suffisante pour arrêter le Japon. Washington désire pouvoir en disposer au cas où le nouveau gouvernement militaire de Tokio tenterait de renouveler une opération similaire à celle de Shanghai.

B. DE MAUD'HUY.

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

TELEGRAM RECEIVED



MET

This telegram must be closely paraphrased before being communicated to anyone.

Peiping
 FROM

Dated September 6, 1932

Reo'd 6:50 a. m.

Secretary of State,

Washington.

1073, September 6, 4 p. m.

CONFIDENTIAL FOR THE SECRETARY.

Department's 301, September 2, 6 p. m. Colonel Gulick made no protest to Japanese. I do not know where John Goette got incorrect information which he cabled. Colonel Gulick called on Japanese to request they discontinue holding maneuvers in private compound of one of the officers of our own guard. Legation here is doing all it can to avoid situation described in last paragraph Department's telegram.

JOHNSON

OSB-WWO

F/G 793.94/5528

DEC 14 1932

FILED

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

September 8, 1932.

With reference to Peiping's telegram No. 1077, September 7, 1932, with regard to possible military action south of the wall, -

The statement of the Japanese Chief of Staff, at Tientsin, to the effect that he 'could give no guarantee that under conditions the Japanese Army would not act inside the wall', is at variance with Ambassador Debuchi's affirmations to Mr. Hornbeck, on August 16, 1932, to the effect that 'the Japanese authorities had no intentions whatever of invading North China'. The statement is, however, consonant to statements made by two Japanese military officers at Peiping, on August 30, to the British Commandant (Ref. Peiping's telegram No. 1043, August 31) that 'it was necessary to crush Marshal Chang Hsueh-liang if he did not depart', that '"Manchoukuo" would quite possibly demand that all Chinese troops be withdrawn south of the Yellow River', that 'troops and expenditures might be easily lent to assist', and that they 'did not see why Japanese should not influence "Manchoukuo" to establish the Young Emperor in Peiping', as well as consonant to statement made by the spokesman of the Japanese War Department (Ref. Tokyo's telegram No. 205, August 5) that 'if Chang and his party

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DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

- 2 -

repeat their plots (against "Manchoukuo")
there will be serious results'.

In view of the fact that this statement
has been made by a Japanese officer in so
responsible a position, it would seem prob-
able that the Japanese military authorities
are either giving serious consideration to
the initiation of military action south of
the wall or may even have decided definitely
upon such a course.

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LES:CLS

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

REP

TELEGRAM RECEIVED

This telegram must be
closely paraphrased be-
fore being communicated
to anyone.

PEIPING

Dated September 7, 1932

FROM

Rec'd 6:09 a.m.

Secretary of State,
Washington.

1077, September 7, 3 p. m.
CONFIDENTIAL FOR THE SECRETARY.

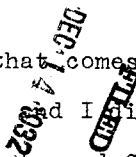
British Charge d'Affaires informs me that British

Brigadier at Tientsin reports that in an interview which
he had with Japanese chief of staff at Tientsin on the
sixth latter could give no guarantee that give certain
conditions Japanese army would not act inside wall.
Japanese army will be forced to strike at Chang Hsueh
Liang in Peiping if he continues assisting voluntary
movement in Manchuria. Japanese army believe that
public opinion in China is going against Chang Hsueh
Liang and that most likely he will be assassinated and
they believe that in this case there will be peace and no
necessity for action by Japan. They also believe that
Chiang Kai Shek needs peace with Japan and therefore
wants the Young Marshal out of the way.

Two. Above illustrates kind of talk that comes
from local Japanese military. Both Ingram and I discount
statements about attitude of public opinion toward Chang
Hsueh Liang and attitude of Chiang Kai Shek.

JOHNSON

WSB-KLP



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

ROYAL ITALIAN EMBASSY
WASHINGTON

May 2 1932
April 30, 1932.

Ans'd



R/HS

My dear Hornbeck ,

I do not want to come personally to the
Department to trouble you for this little matter. But I
would be very much obliged to you for sending me a list
of the most important publications issued in the United
States during 1931 and 1932 on China, or Japan, or the
Sino-Japanese conflict, with the names of their authors.

Thanking you in advance, I am, my dear Hornbeck,

Yours sincerely

M. D. Gustafson

Mr. Stanley K. Hornbeck,
Chief of Division of Far Eastern Affairs,
Department of State,
Washington D.C.

793.94/5530

APR 8 1932

RECORDED

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

May 9, 1932.

My dear Marchetti:

In reply to your letter of April 30, I send you herewith a list of certain publications issued in the United States during 1931 and 1932 relating to China and Japan. This list includes publications which I would suggest as of possible interest. You will readily appreciate, I am sure, that neither the Department nor I would wish to assume responsibility for passing judgment with regard to the importance of private publications or for the accuracy of the statements contained therein.

As of interest in this connection and in case you do not already have copies, I am sending you also herewith a copy of Senate Document No. 55, entitled CONDITIONS IN MANCHURIA and a copy of the Secretary of State's letter of February 23, 1932, to Senator Borah.

Sincerely yours,

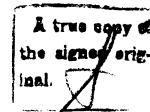
W. K. Hobbs

Enclosures:
 As described.

Count Alberto Marchetti di Muriaglio,
 Counselor of the Italian Embassy.

FE:ECC:LM

FE



F/HS

793.94/5530

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

List of Publications.
Relating to China and Japan,
Issued in the United States
During 1931 and 1932.

- Akagi, Roy Hidenuchi
Manchuria, discussed by Roy H. Akagi, T. Z. Koo
and Joseph P. Chamberlain, January 23, 1932.
New York luncheon discussion, N. Y. Foreign
Policy Association 1932 (F. P. A. Pamphlet No. 79
Series 1931-32, March 1932).
- Cameron, Meribeth E.
The reform movement in China, 1898-1912. Stanford
University Calif., Stanford University press, 1931.
- Chang, Chung-fu
Anglo-Japanese alliance. \$2.75. 1931 Johns Hopkins.
- China. Delegate to the League of Nations.
Declaration made by the Chinese representative at
the meeting of the Council of the League of Nations
at Paris. December 10, 1931. (In U. S. Department
of State. Press releases. Dec. 11, 1931).
- China. Legation. U. S.
Chinese government's note of January 12, in reply
to the American government's note of January 8,
1932. (In U. S. Department of State, Press re-
leases. Jan. 16, 1932).
- China Year Book, 1931.
\$12.50 '31 University of Chicago Press.
- Crocker, W. R.
Japanese population problem. \$4 1931 Macmillan.
- Danton, I. H.
Culture contacts of the United States and China.
\$2 1931 Columbia University Press.
- Etherton, P. T. & Tiltman, H. H.
Manchuria, the cockpit of Asia. \$3, 1932 Stokes.

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

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The international trade of Manchuria. N. Y.
Carnegie Endowment for international peace,
Division of intercourse and education 1931.
(Studies in world economy No. III). Inter-
national conciliation April 1931 No. 269.

Field, F. V.

American participation in the China consortiums.
\$2. 1931 University of Chicago Press.

Foreign Policy Association.

Manchuria. 15¢ 1932. Foreign Policy Association
18 E. 41st Street, New York.

Galloway, George B.

China, Japan and Russia in Manchuria. Washington
Editorial research reports 1931.

Gardner, Charles Sidney, compiler.

A union list of selected western books on China in
American libraries. Washington, D. C. American
council of learned societies, 1932.

Greene, Jerome Davis

The United States and the situation in the Far East;
address given ... before the World Affairs Institute
held under the auspices of the American Women's
Association, March 23, 1932.

Holcombe, A. N.

Chinese revolution 2nd ed. \$4 1931 Harvard
University Press.

Holland, W. L.

China's economic development. Preliminary syllabus
for round table discussion, Hangchow Conference,
October 21 to November 4, 1931. Honolulu,
Institute of Pacific Relations, 1931.

Hudson, G. F.

Europe and China \$5.50 1931 Longmans.

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Government handed to the American Ambassador at Tokyo...
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in reply to the American Government's note of Jan-
uary 8, 1932.
(In U.S. Dept. of State press releases Jan. 16, 1932).

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

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New Haven, Yale University Press, 1931.
- Kawakami, K. K.
Japan speaks on the Sino-Japanese crisis. N. Y.
Macmillan, 1932.
- Kennedy, M. D.
Changing fabric of Japan. \$5 1931 Ray Long
and Richard R. Smith Inc., 12 E. 41st Street,
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- Latourette, K. S.
Development of Japan. 3rd ed. \$2 1931 Mac-
millan.
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Declaration made by the president of the Council
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Council . . . at Paris, December 10, 1931. (In
U. S. Department of State. Press releases. Decem-
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- League of Nations, Council.
Invitation addressed to the Secretary of State
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Geneva, October 16, 1931. Washington, D. C.
(In U. S. Department of State. Press release,
October 16, 1931).
- McCordock, Robert Stanley
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1931.
(Thesis (Ph.D.) - Columbia University 1931).
- MacNair, H. F.
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Chicago Press.
- Meng, Chih
China speaks. New York Macmillan 1932.

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

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Far Eastern international relations, Boston, N. Y.
etc., Houghton Mifflin, 1931.
(1st ed. was published in Shanghai in 1928).
- Moulton, H. G. and Ko, J.
Japan. \$4 1931 Brookings.
- Nitobé, I. O and others
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University of Chicago Press.
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- Orchard, J. E. and D.
Japan's economic position. \$5 McGraw.
- Park, Robert Ezra
The problem of cultural differences... Preliminary
paper prepared for the fourth general session of
the Institute of Pacific Relations to be held at
Hangchow, China.
N.Y.(?) American Council, Institute of Pacific
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- Pritchard, E. H.
Anglo-Chinese relations during the seventeenth and
eighteenth centuries. \$1.75 1931 University of
Illinois.
- Robertson, James Alexander.
The Far East, with special reference to China, its
culture, civilization and history . . . an outline for
individual and group study. Chapel Hill, N.C.
University of North Carolina Press 1931.
(University of North Carolina extension bulletin.
Vol. XI No. 2).
- Sansom, G. B.
Japan: a short cultural history. \$7.50 1931 Century.
- Stewart, R.
War in China. 10 cents 1931 International Pamphlets
799 Broadway, New York.

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

Stimson, Henry Lewis

Text of letter from the Secretary of State, the Honorable Henry L. Stimson to the Honorable William E. Borah, Chairman Committee on Foreign Relations, United States Senate, February 23, 1932. Washington, U. S. Government Printing Office, 1932.

U. S. Congress, Senate, Committee on foreign relations. Commercial relations with China. Partial report. (Pursuant to S. Res. 256) ... Washington, U. S. Government Printing Office, 1931. (71st Congress, 3rd session, Senate Report 1600).

U. S. Congress, Senate, Committee on foreign relations. Commercial relations with China... Report. (To accompany S. Res. 442) ... Washington, U. S. Government Printing Office, 1931. (71st Congress, 3rd session, Senate Report 1716).

U. S. Consulate, Geneva.
 Statement by the American Consul at Geneva, Mr. Prentiss Gilbert, at meeting of Council of League of Nations, Friday, October 16, 1931. Washington, D. C. 1931.
 (In U. S. Department of State. Press release, October 16, 1931.)

U. S. Consulate Geneva.
 Text of the invitation handed to the president of the Council by the American Consul at Geneva, Mr. Prentiss Gilbert, October 16, 1931 in response to his invitation addressed to the Secretary of State, October 16, 1931. (With instructions sent by the Secretary of State to Mr. Prentiss Gilbert...) Washington, D. C. 1931.
 (In U. S. Department of State. Press release, October 15, 1931).

U. S. Department of State.
 Conditions in Manchuria. Message from the President of the United States transmitting in response to Senate resolution No. 87, a report by the Secretary of State relative to the existing conditions in Manchuria. Washington. Government Printing Office, 1932.
 (72nd Congress, 1st session, Senate Document 55).

U. S. Department of State.
 [Note from Secretary of State to President of the League of Nations Council September 23, 1931 regarding the Sino-Japanese hostilities.]
 (In its Press releases, September 23, 1931).

1 1 1

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

U. S. Department of State.

Plan of the Council of the League of Nations for the appointment of a local committee of representatives at Shanghai of a number of the powers to study and report for the League on the causes and development of the recent incidents at Shanghai.
(In U. S. Department of State Press releases, January 31, 1932).

U. S. Department of State.

Proposals as a basis for the cessation of the present hostilities between China and Japan submitted to the Japanese Government and the Chinese Government respectively, by the American Ambassador at Tokyo and the American Consul General at Nanking.
(In U. S. Department of State, Press releases, February 2, 1932).

U. S. Department of State.

Punishment of persons who committed the assault on Consul Chamberlain.
(In its Press releases. January 14, 1932)

U. S. Department of State.

Statement by the Secretary of State (on the resolution adopted December 10, by the Council of the League of Nations, regarding the cessation of hostilities in Manchuria.)
(In its Press releases, December 10, 1931).

U. S. Department of State.

Text of the resolution submitted to the Council of the League of Nations on September (i.e. December) 9 as telegraphed to the Department of State by American Ambassador Charles G. Dawes.
(In its Press releases. December 10, 1931).

Van Dorn, H. A.

Twenty years of the Chinese republic. \$3.50
1932 Knopf.

0118
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Ying-Wun, Lum ed.

A brief study of the Manchurian question. Chicago, Illinois. The Middlewest branch of the Kuomintang, the Chinese Nationalist party in America. 1931

Young, C. W.

International legal status of the Kwantung leased territory. \$2.25 1931 Johns Hopkins.

Young, C. W.

Japanese jurisdiction in the South Manchuria railway areas. \$3. 1931 Johns Hopkins.

Young, C. W.

Japan's special position in Manchuria. \$3 1931 Johns Hopkins.

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

ROYAL ITALIAN EMBASSY
WASHINGTON

May 16, 1932.

File
Division of
FAR EASTERN AFFAIRS
MAY 17 1932
Department of State

F/HS

793.94/5531

My dear Hornbeck,

5530

I received last Saturday your letter of the 9th with its enclosures concerning publications issued in the United States during 1931 and 1932 in regard to China and Japan.

While thanking you for your courtesy in procuring this information, I assure you that it is understood that your kind communication is not to be interpreted as implying the passing of any judgment on the part of either the Department of yourself in respect to the said publications.

Believe me, my dear Hornbeck,

sincerely Yours

Unrecorded
March 11

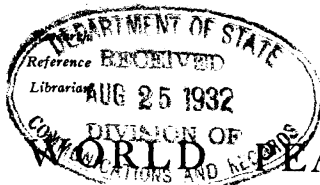
Mr. Stanley K. Hornbeck,
Chief of Division of Far Eastern Affairs,
Department of State,
Washington D.C.

8 1932
RECEIVED

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

RAYMOND THOMAS RICH, Director

DENYS P. MYERS
MARIE J. CARROLL
HAZEL C. BENJAMIN



FARRELL SYMONS Publications
MARY J. MACDONALD Treasurer
DOROTHY A. JOHNSON Distribution

WORLD PEACE FOUNDATION

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40 MT. VERNON STREET, BOSTON, MASSACHUSETTS

July 1, 1932.

Secretary of State,
Department of State,
Washington, D. C.

Sir:

In the pamphlet "Conditions in Manchuria," the statement on p. 41 entitled "Statement by Ambassador Dawes, November 25, 1931, regarding proposed League resolution" says in its text:

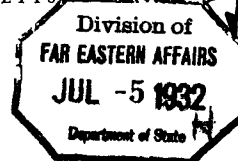
"The United States Government approves the general plan of settlement embodied in the proposed resolution of the Government of the United States."

As printed in the press at the time, the statement referred to "the proposed resolution of the Council." I am assuming that the pamphlet text is erroneously printed. Am I, however, at liberty to conclude from it that the text considered on November 25 was a proposal of Ambassador Dawes?

Very truly yours,

Denys P. Myers

DPM:H



F/HS

793.94/5532

AUG 25 1932

FILED

0121

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

DCA

July 6, 1932.

Mr. Denys P. Myers,
World Peace Foundation,
40 Mt. Vernon Street,
Boston, Massachusetts.

Sir:

Referring to your letter of July 1 to the Secretary
of State calling attention to a statement in Senate
Document No. 55, 72d Congress, 1st Session, on "Conditions
in Manchuria":

"The United States Government approves the general
plan of settlement embodied in the proposed resolution
of the Government of the United States."

Your assumption that the words "resolution of the
Government of the United States" are in error for "the
proposed resolution of the Council" is correct. The
text considered on November 25 was not a proposal of
Ambassador Dawes.

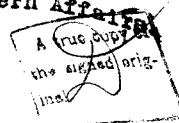
Yours very truly,

✓
OR
JUL 8 1932 PM

SKH
Stanley K. Hornbeck,
Chief,
Division of Far Eastern Affairs

FE:SKH:CLS

FE

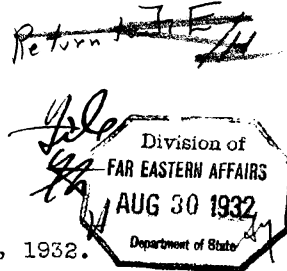


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793.94/5532

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

DEPARTMENT OF STATE
THE UNDER SECRETARY



Copies sent to
Subj. Peiping
and Rome 5/30/32
WRC
SEP 2 1932

August 29, 1932.

Memorandum of conversation with the Ambassador,
dor, August 25.



793.9K
Note
893.102
Peiping

The Ambassador read me a telegram from Rome which said that the Italian Government agreed in principle to the neutralizing of Peiping if it could be done. The telegram pointed out, however, that it would appear to be necessary, from the technical point of view, for all the different nations to have a great many troops in Peiping to maintain neutrality. I pointed out to him that this seemed to me really to be a misunderstanding in that it was obvious that Italy, Great Britain, France and the United States, for example, could not proclaim the neutralizing of Peiping, that it would have to be an agreement between the Chinese and Japanese and certainly, if such an agreement was made between them, the rest of the world would not be expected to enforce it.

The final clause in the telegram interested me. The Italian Government said that the head of the Japanese Legation Guard in Peiping had actually proposed to the various

F/HS
793.94/5533

DEC 1 1932

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

DEPARTMENT OF STATE
THE UNDER SECRETARY

2

various military attachés that, in case of trouble, Peiping should be neutralized. The military attachés, according to the telegram, felt that the proposition was so silly that they did not even transmit it to their Government. It would be interesting to know whether our own military attaché knows anything about this.

W. R. Castle, Jr.

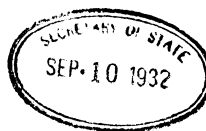


0121

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

SEP 7 1932

No. 74



F/HS

STRICTLY CONFIDENTIAL

793.94/5533

The Honorable

Joseph C. Grew,
American Ambassador,
Tokyo.

Sir:

There is enclosed, for your confidential information, a copy of a memorandum of a conversation I had with the Italian Ambassador on August 25th concerning the neutralizing of Peiping.

Very truly yours,

W. R. Castle, Jr.

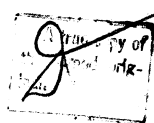
Acting Secretary of State.

1 enclosure:

Copy of memorandum of
conversation of August 25th.

U WRC/AB

FE 12/1



AUG 31 1932

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

No. 856

STRICTLY CONFIDENTIAL

The Honorable

Nelson T. Johnson,
 American Minister,
 Peiping.

Sir:

There is enclosed, for your confidential information, a copy of a memorandum of a conversation I had with the Italian Ambassador on August 25th concerning the neutralizing of Peiping.

Very truly yours,

W. R. Castle, Jr.

Acting Secretary of State.

1 enclosure:

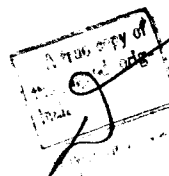
Copy of memorandum of
 conversation of August 25th.

U WRC/AB

FE

m.m.h.

AUG 31 1982



F/HS

793.94/5533

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

SEP 2 1972

No. 724

F/HS

STRICTLY CONFIDENTIAL

793.94/5533

The Honorable

John W. Garrett,
 American Ambassador,
 Rome.

Sir:

There is enclosed, for your confidential information, a copy of a memorandum of a conversation I had with the Italian Ambassador on August 25th concerning the neutralizing of Peiping.

Very truly yours,

W. R. Castle, Jr.

Acting Secretary of State.

1 enclosure:

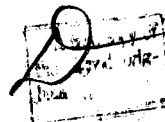
Copy of memorandum of
 conversation of August 25th.

U WRC/AB

FE

m.m.H.

AUG 30 1972



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

DOCUMENT FILE

NOTE

SEE 894.00/434 FOR MEMORANDUM.

FROM State Department (Castle) DATED August 24, 1932
TO Undersecretary NAME 1-1127 ***

REGARDING: Sino-Japanese relations for past twenty years.

793.94/5534

hs

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

DOCUMENT FILE

NOTE

SEE 893.01 Manchuria/429 Continental File FOR Tel. # 224, noon.

FROM Japan (Graw) DATED September 3, 1932.
TO NAME 1-1137 o r o

REGARDING: Japanese Government intends carrying through
its policy in Manchuria unless prevented by
some superior physical force.

hs

793.94/5535
JJ35

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

FE

MF

This telegram must be closely paraphrased before being communicated to anyone

Confidential File

Tokyo

Dated September 3, 1932

Rec'd 5:27 a.m.

Secretary of State,
Washington.

224, September 3, noon.

CONFIDENTIAL FOR THE SECRETARY.

Referring to my letter to you of August 13 I cannot too strongly impress upon the Department the (#) that the Japanese Government firmly intends to see the Manchurian venture through regardless of foreign opposition of whatever nature. They are determined to proceed unless prevented by superior physical force. Not all the elements which now control the Government's policy and actions are convinced that their cause is just which gives added strength to their determination. While it is difficult to believe that they as intelligent people can honestly give credence to the obviously false premise of self-determination for Manchuria, there is evidence of a genuine conviction that their whole course of action in Manchuria is one of supreme and vital national interest if not of self-defense and on that basis they are prepared and determined to meet all opposition, if necessary with

arms

note
793.94
711.94

893.01-Manchuria/429

Confidential File

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

MP

2-#224 From Tokyo September 3, noon

arms. Conservative statesmen carry little or not weight. The military preparations of which I wrote you are being steadily carried forward. While the Japanese expect an unfavorable report by the Lytton Commission and possibly unfavorable action by the League of Nations they regard the United States as their greatest stumbling block. Talk of friction with Soviet Russia is at present comparatively dormant.

The foregoing opinions have been confirmed with increasing intensity by observation and by information from many sources especially during the past few weeks. I have studied the local situation carefully from all angles but I have been unable to discover any approach by which we might hope to overcome or modify the present Japanese intransigence. Moral pressure from outside and internal economic pressure may in time compel modifications in Japanese policy but for the present it appears inevitable that we shall have to continue to face openly conflicting principles and policies between the United States and Japan.

*note
7/11/94*

Repeated to Peiping.

GREW

CSB

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

DOCUMENT FILE

NOTE

SEE 893.01 Manchuria/433 FOR Tel. # 1076, 11 am

FROM China (Johnson) DATED September 7, 1932.
TO NAME 1-1187

REGARDING: China does not intend departing from its original
policy of leaving the Sino-Japanese negotiations
for settlement of the Manchurian dispute in the
hands of the League of Nations.

hs

733.94/ 5536

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

cib

PLAIN

Peiping via NR

Dated September 7, 1932

Recd 2:46 a.m.

Secretary of State

Washington.

1076, September 7, 11 a.m.

Reuter from Nanking sixth:

"No information has been received here to confirm report that new Japanese Minister to China Mr. Ariyoshi is bringing to Nanking proposals for direct Sino-Japanese negotiations for settlement of Manchurian dispute.

It is emphasized that even if report proves true it will merely represent Japan's intentions since Chinese Government adheres to its original policy namely to leave matter in hands of League of Nations for settlement - the policy from which China does not intend to depart.

Direct Sino-Japanese negotiations are therefore out of the question at present time especially in view of approaching meeting of League Assembly".

JOHNSON

JS CIB

Note
793.94

76
409

893.01 Manchuria/433

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

5537

DOCUMENT FILE

NOTE

SEE 893.403/3 FOR MEMORANDUM.

FROM State Department (Hornback) DATED September 8, 1932.
TO Division of Far NAME 1-1127 ...
Eastern Affairs

REGARDING:

Apprehension expressed by Mr. Frank Lee lest the
Japanese Legation guard might take advantage of
the military operations at Peiping to engage in
activities and in course thereof to destroy or
seize art collections, etc.

793.94/ 5537

hs

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

September 12, 1932.
RECEIVED

~~Mr. Castle:~~

SEP 13 1932

~~Mr. Secretary:~~

SECRETARY'S OFFICE

This despatch from Atherton carries evidence in regard to British official attitude in reference to Manchuria, etc.

In this connection, I have just been informed by a friend who has spent the summer in England that the British press gave very little attention to Secretary Stimson's address on the Pact of Paris (see Atherton's memorandum, page 2, second paragraph hereunder).

~~SKH~~
SKH

(London's despatch No. 332, August 31, 1932)

FE:SKH/ZMF

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 332

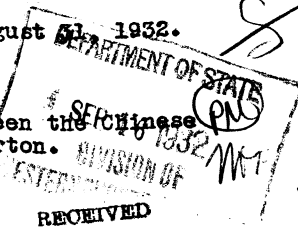
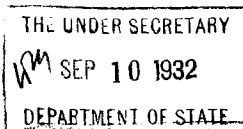
London, August 21, 1932.

SUBJECT: Memorandum of Conversation between the Chinese
Minister to London and Mr. Atherton.

PM RECD



SEP. 9 32



SEP 13 1932

SECRETARY'S OFFICE

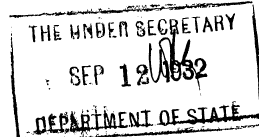
F/DEW

STRICTLY CONFIDENTIAL FOR THE SECRETARY AND UNDERSECRETARY
OF STATE.

793.94

note

793.01 Manchuria



The Honorable

The Secretary of State,
Washington, D. C.

Sir:

I have the honor to forward herewith a copy of
a memorandum of conversation between the newly appointed
Chinese Minister to London, Mr. Quo Tai-chi, and myself,
whom I met originally during my tour of duty in Tokyo
and subsequently during my tour of duty in Peking. I
venture this explanation to account for what otherwise
might possibly seem to be singularly frank statements,
and I ask that this memorandum of conversation be kept
strictly confidential within the Department.

Respectfully yours,

Ray Atherton
Chargé d'Affaires ad interim.

3 copies
destroyed
9-20-32

4 Carbon Copies

One copy detached for
D.C.R. Enclosure:
Memorandum.
RA/ER

Confidential File

SEP 16 1932

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

Enclosure to despatch No. 332 , August 31, 1932.
 from the American Embassy, London.

MEMORANDUM OF CONVERSATION BETWEEN THE CHINESE MINISTER
 AND MR. ATTHERTON.

I called upon the Chinese Minister this morning, whom I had not seen since I knew him when I was stationed in China. We exchanged many civilities, and after a time he told me he was very glad he had come to his post in London through Washington because it had given him an opportunity to talk not only with the Secretary of State but also with other officers in the Department, including Mr. Hornbeck, of the Division of Far Eastern Affairs. He said that his visit to the States made him realize that the events of an election year transcended every other question, but that, in talking over the Far Eastern situation, Colonel Stimson had pointed out to him that time was on the side of the Chinese. The Minister continued that he himself realized this and he doubted whether any noteworthy progress towards a final solution of the Manchurian question was to be hoped for in the forthcoming League meeting or, in fact, whether any great progress will be made during the coming autumn and winter in working out this question.

I asked the Minister whether he had been in Shanghai all through the disturbed days of last winter, and he said he had, and that he might say at this juncture he was convinced that Japan realized she had gotten in on the wrong foot in that Shanghai venture, and that any newspaper reports of any re-attempt of Japan to interfere seriously in Shanghai had entirely the wrong slant.

The

793.74/5538

Confidential File

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

- 2 -

The Minister informed me that when he first came here he had gone to the Foreign Office and stated that of course China's hope was for such a firm Anglo-American front vis-à-vis the plans of the Japanese militarists in Manchuria that even this military clique must realize the solidity of Anglo-American opposition, not necessarily as to supporting China but as to defending the principles laid down in certain treaties. He said that he was impressed by the look of incredulity that this statement produced at the Foreign Office, and that he was realizing in London more and more since that interview that the English position was more interpretative of the Japanese Manchurian background than of opposition at this time to the policy of the Japanese militarists. He said he could not but feel that England might consider any open breach with Japan inadvisable, and he gave the following instance, which he said was in his knowledge, but which up to the present time had not reached my ears.

When Secretary Stimson's speech before the Council of Foreign Relations appeared in the press here the next morning, Reuter's Agency was given from the Foreign Office a most favorable reaction, so much so that Reuter headed a paragraph in its news summary "Britain Gives Warm Official Reception to United States Secretary of State's Speech." However, later in the day, when reports from Tokyo reached London giving a very opposite Japanese viewpoint, the Foreign Office asked Reuter that this news paragraph be cancelled; which was in fact done, with a notation that the deletion was at the request of the Foreign Office.

I gather in the course of the Minister's remarks
 that

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

- 3 -

that he was frankly disappointed with his Foreign Office talk on the Chinese end of the Manchurian question.

I pointed out to the Minister the strength of the position of the United States, in conjunction with other countries, in its policy of non-recognition, and that possibly, as Secretary Stimson had pointed out to him, time being on the side of the Chinese, nothing would be lost in waiting for economic events to aid in determining the issue over Manchuria. I pointed out that Japan had over 100,000 troops in Manchuria, with which she was totally unable to guarantee safety not only to Chinese but to Japanese citizens as well, and that trade conditions were far from normal, unsatisfactory to the Japanese as well as to **other nationals**; furthermore, that one must realize that Japan, before too great a time, was bound to be influenced by the exchange value of her currency and her need for international financing and her decreasing exports.

The Minister added that he quite agreed with me, that time indeed was essential, and that for these very reasons China was determined to keep the question alive, even though not aggressively, and maintain to her utmost ability a passive resistance and an active boycott of Japanese goods. He pointed out also that increased tariffs in India, mentioned in this morning's press, would adversely affect Japan's cotton trade with that country.

He concluded in agreeing with me that a course of watchful waiting was essential with the idea of judging at what moment, for economic, international and psychological reasons,

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

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

TELEGRAM RECEIVED

REP

DEPARTMENT OF STATE
RECEIVED
SEP 10 1932
DIVISION OF
FAR EASTERN AFFAIRS

FROM

GRAY

Shanghai via N.R.

Dated September 10, 1932

Rec'd 7-10-32

Division of
FAR EASTERN AFFAIRS
SEP 10 1932
Department of State

Secretary of State,
Washington.

388, September 10, midnight.

793.94/5526

CONFIDENTIAL. Referring to my telegram No. 383,

September 3, 1 p. m., there have been no local incidents during the past week to aggravate the Sino-Japanese situation and the feeling of tensity has perceptibly lessened. Certain quarters believe that if Japan recognizes Manchukuo, such action will bring about local disturbances but the foundation for this belief is at present vague.

Repeated to the Legation.

JOSSELYN

KLP

F/G 793.94/5539

NOV 17 1932

RECORDED

114

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS
September 19, 1932.

~~SECRET~~

Minister Johnson transmits herewith memoranda of two conversations, one with Colonel Watari and the other with Mr. Wilden, the French Minister, with regard to the activities of the Japanese Legation Guard. It is interesting to note that the activities of the Japanese Legation Guard are apparently directed by the military authorities in Japan and not at all under the control of the Japanese Legation.

It is also of interest to note from the conversation of Mr. Wilden that the Diplomatic Corps at Peking is still engaged in giving vent to its petty jealousies. The Spanish, Portuguese and Belgians felt hurt that the American, British, French and Italian Ministers had not taken them into confidence with regard to the activities of the Japanese Legation Guard.

JEJ/VDM

f. e. j.

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



LEGATION OF THE
UNITED STATES OF AMERICA

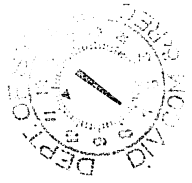
No. 1684

Peiping, August 16, 1932

Subject: Conversations with M. Wilden and Colonel Watari

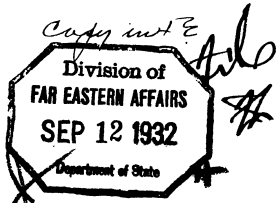
CONFIDENTIAL

PM RECD



SEP 10 1932

The Honorable
The Secretary of State
Washington



Sir:

79394/5476

Referring to the Legation's telegram No. 923 of August 9, 6 p.m., I have the honor to transmit herewith two memoranda of conversations I had with M. Wilden, the French Minister, and Colonel ^{Hizake} Watari, a member of the staff of the Japanese Assessor on the League Commission, on August 2 and August 15, 1932, respectively, regarding the status and activities of the Japanese Legation Guard.

In my conversation with Colonel Watari I pointed out to him that the recent sham attacks in which the Japanese Legation Guard had been engaged for practice purposes in the immediate neighborhood of the Japanese Legation were unfortunate at the present time, because they tended to arouse the ill will of the Chinese and thus to endanger the safety of all foreigners in the Legation quarter.

As reported in the Legation's telegram No. 923 above referred to, the French Minister and I discussed with representatives of the British and Italian Legations the question

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

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question of the status of the Japanese Legation Guard in the event of a Japanese invasion of the Peiping-Tientsin area, especially in the light of the Department's helpful telegraphic instructions Nos. 243⁵⁴⁷¹ of August 6, 4 p.m., and 244⁵⁴⁷¹ of August 8, 1 p.m. These discussions were continued upon receipt of the Department's telegram No. 247⁵⁴⁷⁶ of August 9, 6 p.m.

On August 15 the French Minister called on me (see Enclosure No. 2) and informed me that certain other members of the diplomatic body were inclined to take offense because they had not been included in the discussions, but that he had explained to them that only legations which had guards in Peiping were directly concerned. We then agreed that as the menace of a Japanese attack was no longer imminent, our discussions need not continue for the present.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

Enclosures:

- 1/ Memorandum of conversation with Colonel Watari
- 2/ Memorandum of conversation with M. Wilden

File No. 701
CHVE/k

3 Carbon Copies

Received

JM
*One copy detached
for note in D.C.R.
D.M.*

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Enclosure 2
 Dispatch A. 1684

Conversation.

Peiping, August 2, 1932.

Colonel Watari.

Subject: Activities of Japanese Guard.

I met Colonel Watari who has been attached to the staff of the Japanese Assessor on the Commission of the League of Nations this evening at the home of Colonel Drysdale where we dined together.

I asked Colonel Watari whether Japan intended to carry on operations in this area. He said he thought there was no danger of this. He did say, however, that there was a good deal of nervousness here; stated that he had attended yesterday an inspection of the Japanese Guard; and he commented on the publicity which had appeared in the local English-language press concerning a sham attack upon the Japanese-defended corner of the Legation Quarter wall from across the street in the neighborhood of the Peking Hotel.

I took this opportunity to say to Colonel Watari how very much I regretted that the Commanding Officer of the Japanese Guard here seemed to think it necessary to hold this kind of maneuver at the present time. I pointed out that I spoke of this because it was not so much an isolated question of Japan and China, but it was a question of us all living in the same house in Peking, and that the Japanese Legation was just as much concerned

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over the activities of my guard as I was over the activities of their guard, since we were all living in the same house in different rooms. I said that the guards were here for the purpose of defending the Legations against attack and for no other purpose; that we were all jointly interested in this business; and that any activity calculated to arouse the excitement and ill will of the populace was of concern to all of us in this area.

Colonel Watari said that the Japanese Guard was a part of the Japanese army; that the Japanese Army was engaged in maneuvers; and that the soldiers here had to prepare themselves in connection with those maneuvers.

I stated that it was my understanding that the guard here at Peking was not subject to the orders of the chief of the Japanese Legation, but was subject to the orders of its military heads. Colonel Watari assented to this. I stated that it seemed to me that in the interest of all of us the Japanese should get out some special orders for the guard at Peking which would enable them to perform their special function in a manner that would conserve the diplomatic immunity of the Quarter and be conducive to the peace of mind of all of us living within the Quarter.

Colonel Watari appeared to be impressed with what I had to say on this subject, and seemed to assent to what I told him. I concluded by saying that I hoped something could be done to make it possible for us all to live here peacefully and quietly.

Nelson Trusler Johnson,
American Minister.

NTJ:EA

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

Conversation

August 15, 1932.

M. Henry A. Wilden,
 French Minister.

Enclosure #0 ²¹
 Dispatch No. 1884

Subject: Discussions about Status of Japanese
Guard - attitude of other Legations.

Mr. Wilden, the French Minister, called. He stated that with reference to the conversations which Ingram and he and I, and a representative of the Italian Legation, had had concerning the status of the Japanese Legation Guard, the Legations outside of the discussions had been disposed to take offense because they had not been included. He said he supposed they had learned of the matter through the Italian Legation. The first to call upon him was Navarro, the Portuguese. Mr. Wilden explained to Navarro what had occurred and asked him to treat it as confidential. Navarro did not take offense. Mr. Wilden stated that Garrido, the Dean, had been disposed to take some offense, but that he had explained matters to him and felt sure that Garrido would understand. I told Wilden that I would call upon Garrido at the first opportunity to explain the situation to him.

Wilden stated that Graeffe, the Belgian, had been inclined to feel that he was officially slighted. He intimated that he had practically told Graeffe that the matters discussed had been, more or less, not his concern. Mr. Wilden stated that he thought that all had been explained now.

He

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He expressed the opinion that these matters did not need further discussion at the present time, as the threat of Japanese invasion was no longer imminent. I said that I agreed. I informed him that I had been instructed by my government that we were not prepared to make representations to Tokyo in favor of withdrawing the Japanese Legation Guard; that we did not consider that such representations would be effective or wise; that my government rather favored consideration of the question of neutralization of Peiping, should that seem possible.

Nelson Trusler Johnson,
 American Minister.

NTJ:MM

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 12, 1932.

Mr. ~~Leinbeck~~:

Peiping sends the Department, as requested, copies of the International Defense Plan of the Legation Quarter at Peiping. Minister Johnson reports that copies of the maps mentioned in the plan are not yet available but will be forwarded by the next pouch. When the Department receives those maps, the plan will be much more readily understandable.

Attention is called to two features in the plan as follows:

(1) The Japanese Legation Guard is of course assigned a section of the perimeter of the Legation Quarter.

(2) Each Legation Guard is expected "to prepare the defense of such outlying points in the immediate front as are necessary for the proper defense of the line here outlined." This feature is probably necessary from a military point of view, but it would of course give the Japanese some basis for claiming the right to extend their operations considerably outside the Legation Quarter.

It is suggested that you may wish to
 telephone

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DIVISION OF FAR EASTERN AFFAIRS

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telephone Commander Lammers that we have
received a copy of this plan and that we
assume that the Navy Department has re-
ceived or will soon receive a copy through
its own channels. *Done 504*

It is suggested that detailed examina-
tion of the plan may await the receipt of
the maps explanatory of the plan.

m.m.H.

MMH:KC

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



LEGATION OF THE
UNITED STATES OF AMERICA

No. 1688

Peiping, August 18, 1932.

STRICTLY CONFIDENTIAL

Subject: International Defense Plan for the
Legation Quarter, Peiping.

PM RECD



SEP 10 1932

The Honorable

The Secretary of State,
Washington, D. C.



F/DEW

793.94/5541

Sir:

I have the honor to forward to the Department, in accordance with the request contained in its telegram No.

- 1/ 241, August 6, 2 p.m., two copies of the International Defense Plan of the Legation Quarter. The enclosed plan is dated June 5, 1931, and is the one now in force.

Copies of the maps mentioned in the Plan are not yet available but will be forwarded by the next pouch.

- 2/ There are also enclosed two copies of the plan for the defense of the American sector, dated August 1, 1932,
3/ together with two copies of some explanatory notes furnished by the American Commandant under date of August 11, 1932.

Respectfully yours,

Nelson Trusler Johnson
NELSON TRUSLER JOHNSON.

Enclosures:

1 Carbon Copy

Received

JM
JUN 24 1933

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

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Enclosures: ✓

- 1/ International Defense Plan of the
Legation Quarter;
- 2/ Defense Plan of the American
Sector;
- 3/ Some Explanatory notes, as stated.

Sent to the Department in duplicate.

PWM:epg

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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 DEFENSE PLAN OF THE LEGATION QUARTER
APPROVED BY THE COMMANDANTS, INTERNATIONAL
LEGATION GUARDS, 5 JUNE, 1931.

I. In case of an emergency arising which makes it necessary to place the Legation Quarter in a state of defense, the following plan is agreed to by the Commandants of the various Legation Guards who have affixed their signatures hereto:

DEFENSE PLAN.

II. MAPS:

1. Marked "A." R.F. 1/1800

Shows Legation Quarter with the various sectors which each Legation Guard is assigned as well as the twelve fire sectors into which the entire Legation front is divided. Artillery and machine gun fire to be delivered by a designated Guard to a designated sector, i.e., 1 to 12 inclusive.

2. Squared map of area of Peiping, with coordinates thereon. To be used in connection with designation of objectives for artillery or machine gun fire.

III. COMMUNICATIONS PLANS SHOWING

1. Telephone system - responsibility for establishing and maintenance - (See Map "C.")

IV. ALARM SIGNALS.

1. In case of trouble or serious danger to the Foreign Legations the Commandant of the Legation Guard who first gains the information will immediately inform all other Guard Commandants by:

- (a) Telephone
- (b) Orderlies.

V. ORGANIZATION.

1. Unity of command is absolutely essential, therefore the Senior Commandant of the Legation Guards will assume the Superior Command and direct the defense of the Legation Quarter. Fire will be opened only upon the orders of the Senior Commandant or by any guard if actually fired upon.
2. The Senior Commandant will be assisted by a staff called the "Bureau Central" which will be composed of one officer, or non-commissioned officer, or private from each Guard, who will at the first alarm, be sent by their respective Commandants to the Command Post of the Senior Commandant, (this date, the Senior Commandant is the American, and the Command Post is his office in the American Compound, telephone 1835 East Office.) In addition, each Commandant of the Legation Guards will send two messengers to the Bureau Central who are familiar with the Legation Quarter and the Command Post of the Commandant, who has sent them.

MILITARY ATTACHES.

3. It is hoped that the military attaches will place themselves at the disposal of the Commandants of their respective Guards, but in no case can any one of them, by virtue of his superior rank, assume command of the Legation Guards unless regularly appointed Commandant of the Guard of his nation.

VI. SECTORS OF DEFENSE.

- A. The International Legation Commandants agree, that the outer line of the Legation Quarter must be held at all costs, and that no retreat on a rear line will be considered, but

that strong points must be prepared in and behind the line, to insure this being accomplished.

- B. Sectors of defense are determined by the text of the written assignment which follows, and use of map "A."
- C. Twelve fire sectors, i.e., 1 to 12 inclusive, into which the entire front is divided for purpose of directing artillery and machine gun fire, indicated on map "A."

1. AMERICAN GUARD SECTOR OF DEFENSE.

Agrees to occupy and hold the Chien-Men Pagoda, the Tartar Wall from the Chien Men Pagoda east to Rue Verbiest exclusive of the ramp in rear of Belgian Legation, the west Legation Street gate, the west defense wall from Legation Street north to the south-west corner (old Russian glacis) of the British Compound, and to prepare the defense of such outlying points in the immediate front as are necessary for the defense of the line here outlined.

2. FRENCH GUARD SECTOR OF DEFENSE.

The French Guard agrees to occupy and hold the east defense wall from Rue Hart south to include the east Legation Street Gate, East Wall Street, the Hatamen Block House and the Hatamen Pagoda, and the Tartar Wall from the Hatamen Pagoda west to include the ramp in rear of the Belgian Legation, and to prepare the defense of such outlying points in their immediate front as are necessary for the proper defense of the line here outlined. To send one officer and thirty men, assisted by one-non-

commissioned officer and four men from each guard, to the Peking Hotel for the purpose of holding and defending that building. (See Annex No. 1 - Peking Hotel.)

3. JAPANESE GUARD SECTOR OF DEFENSE.

The Japanese Guard agrees to occupy and hold the east defense wall from Rue Hart north to the northeast corner of the defense wall, thence to the north defense wall to Rue Marco Polo inclusive, and to prepare the defense of such outlying points in their immediate front as are necessary for the proper defense of the line here outlined.

4. ITALIAN GUARD SECTOR OF DEFENSE.

The Italian Guard agrees to occupy and hold the North Defense Wall from Rue Marco Polo exclusive to Water Street, and the east half of the small bastion in the center of Water Street, and to prepare the defense of such outlying points in the immediate front as are necessary for the proper defense of the line here outlined.

5. BRITISH GUARD SECTOR OF DEFENSE.

The British Guard agrees to occupy and hold the north defense wall from Water Street to and including the northwest corner bastion and the west defense wall from the northwest corner bastion, along the west defense wall, south to the end of the British Compound, and to prepare the defense of such outlying points in the immediate front as are necessary for the proper defense of the line here outlined.

6. RESERVES.

The International Legation Commandants agree that they will make available, at the disposal of the Senior Commandant, International Guards, as a general reserve all men of their command who are not considered essential to the defense of their assigned sectors; and further agree to vacate outlying points not within the Legation Quarter, upon the decision of the Senior Commandant that such occupation is no longer necessary.

VII. BARRICADES.

Each Commandant is required to make estimate of material, labor, time, etc., required to properly prepare the defense of outlying points within his sector for the proper defense of that sector.

VIII. ARTILLERY AND MACHINE GUN CONTROL.

1. In order to co-ordinate and control the fire effect of all the Guards, there shall be a Fire Control Officer who shall be the Artillery Officer of the Senior Commandant.

2. The absence of adequate anti-aircraft weapons in the armament of the Guards is recognized. However, each Commandant should properly train his personnel in the use of machine guns, automatics, and rifles against low-flying airplanes. (See Annex #2 - ARTILLERY.)

3. FIRE SECTOR 1 to 12 Maps "A" and "B."

These fire sectors are here indicated for artillery and machine gun fire. Natural objectives, method of fire,

designation of points to be re-enforced would be indicated on Map "B" by the use of coordinates, by telephone or by orderlies.

MEANS BY WHICH CONTROL WILL BE EXERCISED.

Telephones and runners.

METHOD OF CONTROL, USING TELEPHONE.

Fire Control Officer will indicate to the Commanding Officer concerned the kind of fire (i.e., machine gun or artillery), and the point at which fire is to be delivered by use of the co-ordinates on map "B."

XI. COMMUNICATION PLAN.

Necessary equipment to connect all Commandants is in charge of the American Guard Communications Officer who is charged with its care and installation when necessary. In addition, the regular city system would be utilized so far as possible.

b. Radio Communication.

Will be maintained between the American Legation Guard, Peiping and the American Army Forces, Tientsin, as at present wave length, i.e., 355 K/cs, and with American Forces on the march to relief of Peiping, wave length 355 K/cs.

X. TABLE OF EFFECTIVES OF GUARDS.

The Senior Commandant from time to time will request of all Commandants, information as to their effective strength in guns and men. A copy of this list, after completion

will be returned to the several Commandants. If possible the Commandants will send a list of officers or men detailed as personnel for the "Bureau Central".

XI. PROTECTION OF SUBJECTS.

Should it become necessary to call foreign subjects to their Legations in case of serious trouble, the plans as outlined in "Notice to Foreigners" (See Annex #3 - NOTICE TO FOREIGNERS.)

XII. PLANS RELATIVE TO THE FOREIGN ELEMENT IN PEIPING, ITS UTILIZATION OR EVACUATION, ETC:

The following data and plans should be provided for:

- (a) Number of nationals in and about Peiping, showing sex, age, military training and technical training.
- (b) Plan of organizing men, capable of bearing arms, into companies and procuring and carrying of arms necessary in storehouses.
- (c) Plans of organizing technical men, such as doctors, engineers etc., into units for hospitals, construction of dugouts, preparation of defenses, etc., utilizing coolies for labor.
- (d) Estimates of stores, foodstuffs, gasoline, etc., in Peiping, with plans for raiding and capturing such stores as are in sector of any particular guard.
- (e) Estimate of foodstuffs necessary to feed civilian element (each guard) for three months.
- (f) Estimate of water supply.

- (g) Estimates of labor and material needed to construct necessary defenses; as well as labor, material and time necessary to construct dugouts for all civilian population.
- (h) Sanitation plan for care of each Guard's nationals.

XIII. CUSTODY OF DOCUMENTS.

All maps and documents concerning the defense of the Legation Quarter will be retained as "SECRET" by whom they are kept.

J. C. BRECKINRIDGE,
Colonel, U.S. Marine Corps,
Commandant, American Legation Guard,
and Senior Commandant, International
Legation Guards.

R. KITAO,
Lieutenant Colonel, I.J.A.
Commandant, Japanese Legation Guard.

H.C.E. HULL,
Major, D.S.O., Q.R.R.,
Commandant, British Legation Guard.

BENOIT-GUYOD,
Major, 16th Inf. Republic of France,
Commandant, French Legation Guard.

M. CALAMAI,
Lieutenant, I.R.N.
Commandant, Italian Legation Guard.

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

PEKING HOTEL
(Defense of)

The responsibility for the defense of the Peking Hotel has been delegated to the Commandant, French Legation Guard, who has stated that he would detail one officer and thirty men from his Guard for the protection of this building. It has been agreed by all of the other Commandants that they would detail one non-commissioned officer and four privates to report to the Officer in Charge of the Defense of the Peking Hotel.

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

A = added.

C = changed.

Enclosure No. 2
Despatch No. 1688

American Legation Guard,
Peiping, China.
August 1, 1932.

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DEFENSE PLAN

Maps: "A", Legation Quarter, 1/1800.
"B", Peiping Area, 1928, 1/10,000.

1. a. Information of the enemy will be communicated to this command as the situation develops.
 - b. The British, French, Japanese, and Italian governments maintain legation guards in PEIPING. The defense sectors of the British and French lie to the north and east, respectively, of the American sector. For sectors, see Map "A".
 - ✓c. In case of an extreme emergency, a certain number of American civilians will be organized and equipped, and become available for the defense of the Legation.
2. a. This Guard will occupy, organize, and defend the American sector, and in conjunction with the other foreign guards will hold the outer line of the Legation Quarter at all costs.

American sector: From the junction of the WEST WALL of the ex-Russian compound with the SOUTH WALL of the British Guard compound on the right, thence along NEW WALL west to CHIEN MEN street, CHIEN MEN street to CHIEN MEN PAGODA, TARTAR WALL east to RUE VERBLEST, exclusive of the ramp in rear of the Belgian Legation.

- b. In the event that it becomes necessary to man the defenses of the American sector in an emergency, initial dispositions will be made upon order of the Senior Officer Present, or the sounding of "Call to Arms" to assure the immediate establishment of the defense of the American sector.
- c. Initial dispositions will consist of:
 1. The immediate closing and holding of all gates.
 2. Manning the TARTAR WALL, including the immediate seizure at all costs of the CHIEN MEN PAGODA, and establishment of liaison with the French Guard on the east.
 - ✓3. Securing the block of buildings from the IMPERIAL HOTEL to CHIEN MEN Street, all inclusive.
 - C 4. Securing the Chinese Post Office Building.
 5. Closing of the gates under the Chien Men Pagoda.
 - ✓6. Wiring the following streets, at junction with CHIEN MEN street:
WALL STREET,
WEST LEGATION STREET,
HU PU CHIEH.
 7. Manning the NEW WALL (across ex-Russian Guard glacis).
 8. Manning the WEST WALL of the ex-Russian Guard compound, and establishment of liaison with the British Guard.
 9. Holding the bulk of the machine gun and artillery companies in reserve.
- d. The offensive will be assumed either initially or from the defensive only upon orders of the Senior International Commandant, via the Commanding Officer, American sector.

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CONFIDENTIAL.

3. a. The 62d (Howitzer) Company (as reinforced) will:

1. Occupy, organize, and defend the entire American sector, and establish contact with the British Guard on the right (north), and the French Guard on the left (east).
- ✓ 2. Secure the block of buildings opposite the American Guard from RUE LINEVITCH to CHIEN MEN Street, all inclusive, and establish the west line of defense of the American sector along CHIEN MEN Street from the TARTAR WALL north to the Chinese Post Office Building, both inclusive.
- ✓ 3. Secure the Chinese Post Office Building.
4. Secure the following gates:
RUE LINEVITCH Gate,
WEST LEGATION STREET Gate,
WATER STREET Gate,
American Legation and Guard Gates.
5. Relieve the Guard of the Day at posts as indicated:
Corporal of the Guard,
Legation and Guard Gates,
Brig Post.
- A 6. Be prepared to engage suitable targets with howitzer weapons fire, reducing gun squads to the minimum size consistent with efficiency.
7. The following units of the 38th (Machine Gun) Company will be initially attached for use as indicated:
One (1) section (2 guns) - CHIEN MEN PAGODA and TARTAR WALL.
One (1) section (3 guns) - Strong point in the angle of the NEW WALL with WEST WALL OF ex-Russian Guard compound, and in part of sector north of TARTAR WALL.
8. One (1) squad from the Band, will be attached to assist in securing the WATER STREET Gate.

b. The 38th (Machine Gun) Company will:

1. Attach two (2) sections (5 guns) to the 62d (Howitzer) Company for use in the vicinity of the CHIEN MEN PAGODA and the strong point in the NEW WALL (across ex-Russian Guard glacis).
- ✓ 2. Upon the manning of the defenses, detail a squad to close the gates under the CHIEN MEN PAGODA, and block WALL STREET, at CHIEN MEN, with barbed wire entanglements (chev-aux-de-frise).
3. Be prepared to establish a machine gun nest in the vicinity of the northwest corner of the American Guard glacis.
4. Hold the remainder of the company in reserve, awaiting orders.
- ✓ 5. Organize machine gun crews to the minimum size consistent with efficiency, thereby making available at least one (1) platoon for duty as riflemen (general reserve).
- ✓ 6. In addition to regular machine gun equipment, arm all men with rifles and bayonets, and a limited number with automatic rifles.
- ✓ 7. Train personnel in the use of the new antiaircraft machine gun mounts, and be prepared to furnish protection against airplanes.

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c. The 39th (Artillery) Company will:

1. Man the two (2) guns on TARTAR WALL, and await orders.
2. Open magazines Numbers 1, 2, and 3, prepared to issue necessary ammunition.
- ✓ 3. Upon the manning of the defenses, detail squads to block WEST LEGATION Street and HU PU CHIEH, at CHIEN MEN, with barbed wire entanglements (chevaux-de-frise).
4. Furnish all explosives and personnel for demolition purposes.
5. Hold remainder of company in reserve, prepared to move with guns, as directed.
- ✓ 6. Be responsible for all normal fire missions in sectors, 11, 12, 1, and 2. (See Map "B"), and will be prepared to engage suitable targets in any sector of fire, as may be directed. For artillery defense plan, see Annex No. 2 - Artillery.
- ✓ 7. In addition to regular artillery equipment, arm all men with rifles and bayonets, and a limited number with automatic rifles.
8. Organize artillery gun crews to the minimum size consistent with efficiency, thereby making available at least one (1) section for duty as riflemen (sector reserve).
9. Four (4) men from the Headquarters Detachment, and all available Chinese employees, will be attached for use in the supply and handling of ammunition.
10. Two (2) F.W.D. Trucks will report to the Armory for use in transporting guns, crews, and ammunition, to positions as directed.

d. The Mounted Detachment will:

1. Furnish the initial security of the Quartermaster compound and Magazine No. 3, until relieved of that duty by one (1) squad from the Band.
2. Have two (2) mounted orderlies report to the Command Post of the American Sector.
3. Be prepared to proceed, upon orders, to designated Assembly Points and escort foreigners into the Legation Quarter.
4. Upon the completion of duties outlined in sub-paragraph d (3) above, await orders in reserve.
- ✓ 5. Be prepared to disperse mobs inside the Legation Quarter.
- ✓ 6. Keep an up-to-date record of the number of American Nationals in and about PEIPING, showing names, addresses, age, sex, military and technical training.
7. Prepare separate lists of the above (sub-paragraph d (6)), grouping together those men and women of various professions, such as men capable of bearing arms, with training, etc., engineers, doctors, nurses, etc., etc.
- ✓ 8. Familiarize personnel with important streets and points within city and environs, and especially the location of Assembly Points for the collection of foreigners, as follows:
 - No. 1 - METHODIST MISSION. (Escort - French Guard).
 - No. 2a - P.U.M.C. (Escort - American Guard).
 - No. 2b - YAMATO CLUB. (Escort - Japanese Guard).
 - No. 3 - YENCHING SCHOOL. (Escort - American Guard).
 - No. 4 - EAST PRESBYTERIAN MISSION. (Escort - American Guard).
 - No. 5 - CHUNG TE SCHOOL. (Escort - British Guard).
 - No. 6 - FRENCH CATHEDRAL (Escort - British Guard).

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

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CONFIDENTIAL.

c. The Headquarters Detachment will:

1. Attach one (1) squad from the Band, equipped with automatic rifles, rifles, and riot guns, to the 62d (Howitzer) Company for use in securing the WATER STREET Gate, and protecting the radio equipment in SAN KAU MAO.
2. Have one (1) squad, equipped as above, relieve the Mounted Detachment in the security of the Quartermaster Compound and Magazine No. 3
3. Train and detail five (5) men to operate the two (2) searchlight groups.
4. Have four (4) men, and all available Chinese employees, report to the 39th (Artillery) Company, for use in the supply and handling of ammunition.
5. Have one (1) man, armed with a Sub-Thompson Machine Gun, protect the quarters of the American Minister.
6. Have one (1) non-commissioned officer and four (4) men, suitably armed, report to the French Officer, Commanding the Guard at the PEKING HOTEL, for duty in the defense of that place, in conjunction with details from the other foreign guards.
7. Furnish runners, as follows:
 - (a) To the Commanding Officer, American Sector: Four (4) men.
 - (b) To the Senior International Commandant: Four (4) men.
 - (c) To the Senior Commandant - For orderlies (in pairs) at the command posts of the foreign guards: eight (8) men.
8. In case the defense is protracted, also furnish the following men as telephone orderlies:
 - (a) To the Senior International Commandant: Six (6) men.
 - (b) To Commanding Officer, American Sector: Four (4) men.

f. The Guard of the Day will:

1. Immediately close all gates in the American Legation and Guard compounds.
 2. Double all sentinels.
 3. Report to their respective organizations upon being relieved by the 62d (Howitzer) Company.
- X (1) Fire will be opened only upon orders of the Senior International Commandant, or by the Senior Officer Present if actually fired upon.
- (2) In case of trouble or serious danger to the foreign legations, the Commandant of the Legation Guard, or Senior Officer Present, who first gains the information will immediately inform all other Guard Commandants by: (a) Telephone, and (b) Orderlies.
- ✓ (3) In an emergency, should it become necessary to call members of this command, or foreigners to the Legations, the following signals will be used: Two (2) cannon shots will be fired (by the American Guard), followed after a pause of two (2) minutes, by two (2) more cannon shots. This signal should direct attention to the highest radio signal tower at the American Guard. This signal will be a pyramid in alternate bands of red and white, displayed inverted. By day it will be accompanied by a blue flag with square white center, and by night with a string of three red lights with three white lights below, the whole to be illuminated by a searchlight, if practicable. Similar signals will be hoisted on masts at the Italian and Japanese Legations. Upon the display of these signals, all officers and men will immediately return to the compound in the most expeditious manner possible.

-4-

-5-

CONFIDENTIAL.

- ✓ (4) Upon the manning of defense stations, every effort will be made to quickly organize the sector for a protracted defense, full utilization being made of wire entanglements, sandbag emplacements, dugouts, and natural and artificial obstacles. Double apron wire will be strung along CHIEN MEN Street from the TARTAR WALL north to the Chinese Post Office Building, thence east along HU PU CHIEH to the ex-Russian Guard glacis, where it will be connected with the British Guard wire entanglements.
- (5) Cooks and messmen will remain on duty, but will be armed and prepared to cover the American glacis with fire.
- ✓ (6) Full utilization will be made of the defensive fires of machine guns, automatic rifles and Thompson sub-machine guns; 37 mm guns, trench mortars, grenades, and artillery pieces will be employed as the situation dictates. Company and detachment commanders will keep personnel trained in the use of these weapons.
- (7) In calling for supporting fires of artillery and auxiliary weapons, location of targets will be designated from the reference map "B", using the Grid system of coordinates.
- (8) Company and detachment commanders will see that their personnel are properly trained in the use of their respective weapons against low flying airplanes.
- (9) Particular care will be exercised to ensure that no unauthorized Chinese refugees are allowed to enter the compound.
- (10) Steel helmets and combat packs will be worn.
- (11) The outer line of the defense sector will be held at all costs.
- (12) Company and detachment commanders will prepare and submit to this office without delay detailed plans and orders covering their assigned missions, and in the future will keep them up to date at all times.

QUARTERMASTER PERSONNEL.

- 4. a. (1) The Quartermaster personnel will stand by storerooms and magazines in the Quartermaster compound prepared to issue ammunition, rations, and other supplies as directed.
- (2) Two (2) F.W.D. Trucks will be sent to the Armory for use in transporting guns, crews, and ammunition of the 39th (Artillery) Company to localities, as directed.
- ✓ (3) Trucks will be furnished, upon call, for the transportation of foreigners from designated Assembly Points into the Legation Quarter.
- (4) One (1) F.W.D. Truck will be made available for the installation and transportation of one (1) searchlight unit.
- (5) Plans will be made for the arming and equipping of American civilians in case of extreme emergency.

b. MEDICAL PERSONNEL.

- (1) The Post Surgeon will establish a collecting station in the large squad room at the south end of the East Barracks.
- (2) First Aid Stations will be established in the Guard House on the TARTAR WALL, in rear of the NEW WALL (across ex-Russian Guard glacis), and at the Quartermaster Compound.
- ✓ (3) The Post Surgeon will prepare a sanitation plan for care of American Nationals in case the situation requires them to be billeted in the Legation Quarter.
- ✓ (4) The Post Medical Officer will be prepared to take over the "HOSPITAL ST. MICHEL" (opposite American Guard) in case of a protracted defense.

-5-

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

-6-

CONFIDENTIAL.

5. a. SIGNAL PLATOON.

- (1) The signal platoon will be prepared to handle panels and all communications with planes, and communications outside of PEIPING.
- (2) Radio communication between the American Legation Guard, PEIPING, and the American Army Forces, TIENTSIN, will be as at present wave length, viz 355 K/cs, and with American Forces on the march to the relief of PEIPING, wave length, 355 K/cs.
- (3) Signal hoists on the main radio tower will be under the control of the communications officer.
- (4) Telephone lines will be installed to the CHIEN MEN PAGODA, the IMPERIAL HOTEL on RUE LINEVITCH, the TARTAR WALL, and to such other points in the American sector as may be directed.
- (5) Telephone lines will be installed to the Command Posts of the foreign guards when directed. In addition, the regular city system will be utilized as far as practicable.
- (6) The communications officer will prepare plans for the local defense of the radio installations and equipment, using available communications personnel for this purpose.

b. COMMAND POSTS.

Senior International Commandant: Commanding Officer's Office, American Legation Guard.
Commanding Officer, American Sector: Officer of the Day's Office, American Legation Guard.
Company and detachment commanders: to be reported.

BY COMMAND OF COLONEL GULICK.

[Signature]
J. M. ARTHUR,
Major, U. S. Marine Corps,
Executive Officer.

OFFICIAL.

[Signature]
John W. Thomson, Jr.,
Captain, U.S. Marine Corps.
Post Adjutant.

DISTRIBUTION: British Legation Guard _____ French Legation Guard _____
Japanese Legation Guard _____ Italian Legation Guard _____
Commanding Officer _____ Executive Officer _____
Post Surgeon _____ Post Quartermaster _____
Post Communications Officer _____ Hq. Det. _____
38th Co. _____ 39th Co. _____ 62d Co. _____
C.O. Mounted Det. _____ File 15 Copies.

JMA/bg:
8-1-32.

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)

CSO letter, May 3, 1972

[Signature] Date Mar 17, 1973

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

1688

COPY

LMG/hg.

UNITED STATES MARINE CORPS
MARINE DETACHMENT, AMERICAN LEGATION,
PEIPING, CHINA.

11 August, 1932.

From: The Commanding Officer.
To: The American Minister, American Legation,
Peiping.

Subject: Defense plan.

1. I herewith submit the following information in regard to the defense plan for the American Sector, dated August 1, 1932:

(a) The plan is based on the old plan, and with a few exceptions, the general scheme of defense is the same. However, the new plan, as written, goes into much more detail, and includes many items that were incorporated in the General Plan of Defense of the Legation quarter, agreed to by the Commandants of all the foreign guards in Peiping, last year.

(b) The general plan of defense of the American sector is contained in sub-paragraph 2 (c), page 1. This will be in effect initially, and with few modifications should be ample to meet any eventuality that may occur during the early stage of an emergency; thereafter, as the situation develops, the plan would have to be modified and enlarged upon to meet the particular enemy threat that may be presented.

(c) The major changes that have been incorporated in the new plan, are as follows:

1. Securing the block of buildings from the Imperial Hotel to Chien Men Street, all inclusive.
2. Securing the Chinese Post Office Building.
3. Closing the gates under the Chien Men Pagoda.
4. Wiring the following streets, at junction with Chien Men:
Wall Street,
West Legation street,
HU PU CHIEH.

(In addition to this wiring of streets, the plan also calls for the placing of additional wire along Chien Men Street from the Tartar Wall north to the Chinese Post Office Building, thence east along HU PU CHIEH to the ex-Russian Guard glacis, where it will be connected in with the British system of wire. This wiring would take place after the above buildings, etc., are secured.)

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E.O. 11652, Sec. 3(E) and 5(D) or (E)

OSD letter, May 3, 1972
By LE Hilpselman NARS Date May 19, 1973

0168

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

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Subject: Defense plan.

From the above, it will be seen that the object of the entire change is to establish the outer line of defense along Chien Men street north to Hu Pu Chieh, and thence east along Hu Pu Chieh to the ex-Russian Guard glacis. This is considered as absolutely essential to the safety of this part of the quarter, as the building mentioned above, due to their superior height, and corresponding advantage of observation, can dominate the entire guard and American Legation, and with these in the hands of the enemy, we would be, in my opinion, out of luck. Snipers would be in a position to pick us off, one at a time. The old plan called for the securing of the Imperial Hotel, which had this in view, but it did not go far enough, and I have therefore added it in the new plan.

(d) Other changes of interest, other than those outlined in (c) above, are those relating to the formation of infantry sector and general reserves. This was accomplished by reducing the size of the gun crews of the 38th (Machine Gun) and 39th (Artillery) Companies to a minimum consistent with efficiency.

(e) In addition to the above, there are many minor changes, or additions, mostly the latter, that are more or less of a routine nature which were considered necessary in order to complete the plan. I will indicate these by placing a RED check mark opposite each one that is a change or an addition, on the copy attached hereto.

/s/ L. M. GULICK.

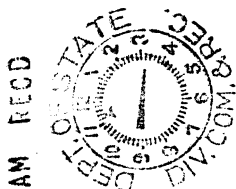
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



GATION OF THE
UNITED STATES OF AMERICA
Peiping, China, August 31, 1932.

793.94

Accounts.



SEP 10 1932

*at a-a-6
affirmed 9/10/32
M. O. Gustafson*



BUR. OF ACCTS

F/DEW

793.94/5542

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to enclose account-current,
in triplicate, together with supporting voucher,
which covers receipts and disbursements made by me
against Authorization No. 149, 1932, for the month
of August 1932.

Respectfully yours,

[Signature]
Fryor Ledgerwood,
Special Disbursing Officer,
Department of State.

✓
Enclosure:
Account-current
in triplicate.



SEP 23 1932

FILED

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



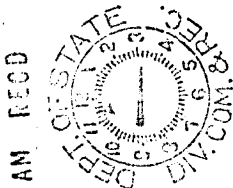
LEGATION OF THE
UNITED STATES OF AMERICA

Peiping, China, August 1, 1932.

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Accounts.

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SEP 10 32

*at LA-L for
approval 9/13/32
Bulaten
FILE BUR. OF ACCTS*



F/DEW

793.94/5543



The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to enclose account-current,
in triplicate, together with supporting voucher,
which covers receipts and disbursements made by me
against Authorization No. 149, 1932, for the month
of July 1932.

Respectfully yours,

Wm. H. Wood
Wm. H. Wood,
Special Disbursing Officer,
Department of State.

SEP 23 1932

FILED

✓
Enclosure:
Account-current
in triplicate.

FL/pl

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 19, 1932.

~~SECRET~~

Minister Johnson transmits herewith memoranda of three conversations, two with Wellington Koo and one with Wu P'ei-fu.

A very brief summary of each conversation is found in the despatch which I suggest that you read. If you have time, however, I think that you will find all three memoranda interesting.

JEJ/VDM

J. C. P.

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



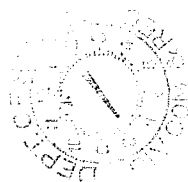
LEGATION OF THE
UNITED STATES OF AMERICA

No. 1689

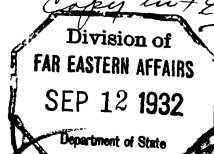
Peiping, August 17, 1932

Subject: Conversations with Doctor Wellington Koo

PM 11:55



SEP 10 1932



F/HS

753.94/5544

The Honorable

The Secretary of State

Washington

Sir:

With reference to the Legation's telegram No. 928 of August 15, 4 p.m., I have the honor to transmit herewith two memoranda of a conversation I had on August 12, 1932 with Doctor Wellington Koo, the Chinese Assessor on the League Commission of Inquiry, in the course of which he asked me whether the United States could not in some way contribute towards bringing about a settlement of the Sino-Japanese dispute. He felt that the internal situation in Japan was very bad, and that when the report of the League Commission was ready the United States and other powers could perhaps suggest either direct negotiations or an international conference.

As regards political conditions in China, Doctor Koo thought the Young Marshal would probably leave Peiping in the near future and that a military council would maintain law and order in North China. He felt a

Japanese

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

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Japanese move into Jehol was practically certain but he could not predict when. Incidentally, Doctor Koo said he would probably go to Geneva with the League Commission and that he hoped to go via the United States and to consult with the Secretary of State in Washington.

3/ I enclose also a memorandum of a call I made on August 10, 1932 on Marshal Wu Pei-fu, not so much because it adds anything material to our knowledge of present political conditions in this country, but because of the intensely human and almost pathetic picture it presents of the great conflict between the new and the old which is still going on over all China.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

Enclosures:

1. Memorandum of conversation with Dr. Wellington Koo
2. Memorandum of conversation with Dr. Wellington Koo
3. Memorandum of call upon Marshal Wu P'ei-fu

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

Conversation

August 12, 1932.

Dr. Wellington Koo

Enclosure 1689

Subject: Sino-Japanese Relations.

In the course of a conversation this afternoon, Dr. Koo said that he had been wondering whether there would not be some way in which the United States might contribute to the effort to bring about a settlement of the Sino-Japanese difficulties.

I stated that I was not sure that I could see a way; that some time ago I had suggested to my government that the time might come when we could act as a mediator between the two countries, but when that might happen I could not say. I said that it seemed to me that in a situation such as this, where the trend of events seemed to be so completely in the hands of a military group who had attained a mastery of a situation, as was the case in Japan, it was difficult to know how one could deal with them.

Dr. Koo said that he felt that it was a characteristic of the Japanese for them to carry on to a point where they must give in, and that, well-organized as they were, it could be counted on that the leaders kept an eye on the international situation. Conditions were very bad for the Japanese at home; Japan would not wish to continue to be isolated.

Dr. Koo

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By Milton D. Hufton NARS, Date 12-18-75

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Dr. Koo expressed it, as his opinion, that when the report of the Commission of the League was received, and began to be given consideration by the League, the time might have arrived when the Powers and the United States could come forward and suggest one of two ways of dealing with the situation:

- (a) Direct negotiations on the basis of proposals made by the Commission of the League, with the Powers acting as observers or mediators.

Such a suggestion would help to save Japan's face and would meet Japan's desire for direct negotiations with the help of the League.

- (b) It might be suggested that an International Conference be held, similar to the Washington Conference.

In case of either (a) or (b), the basis of discussions would be the Nine Power Treaty, the Briand-Kellogg Treaty and the Covenant of the League.

Dr. Koo stated that he favored putting forward suggestion (b) first, as the Japanese do not want an international conference and therefore this could be held over them as a club, and would drive them to accept, as the lesser of two evils, suggestion (a).

Nelson Tinsler Johnson,
American Minister.

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

Conversation

August 12, 1932

Enclosure 2
1689

Dr. Wellington Koo

Subject: Local Conditions.

Dr. Wellington Koo called today and in response to my query stated that the political situation was somewhat obscure. He said that Marshal Chang Hsueh-liang had resigned and that his resignation had been accepted; it was expected that he would probably leave Peiping some time in the near future, although the time of his going was not fixed. The Young Marshal hoped to make a journey abroad. Dr. Koo stated that the Young Marshal had asked him to say to me, in case he should see me, that I should have no feeling of nervousness about local conditions as a result of his departure; that the command of the army would be turned over to a Military Council and that local conditions would remain quite peaceful.

With reference to his own plans, Dr. Koo stated that he felt that it was going to be necessary for him to go to Paris and to Geneva. He was not sure when it would be necessary for him to leave but thought perhaps with one group of the League Commission, and he hoped that he would be able to go through the United States and have an opportunity to consult with Secretary Stimson when he reached Washington.

Dr. Koo did not feel that the departure of the Marshal would necessarily have any effect on the situation locally so far as the Japanese were concerned. He expressed the con-

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By Milton D. Quisenberry NARS, Date 12-18-75

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viction that sooner or later Japan must make an effort to include the province of Jehol within the boundary of Manchukuo, but he thought that no move of this kind would be made at once, partly because of complications in Manchukuo, where the Japanese were having a very difficult time, and partly because of the kaoliang, which would conceal troop movements. He stated that it was his opinion that any movement in the direction of Jehol would have to be made as a feint through Tientsin and Peiping, with a view to forcing the situation at Jehol. The time when this might take place might, of course, depend on international action at Geneva.

Nelson Trusler Johnson,
American Minister.

NTJ:MM

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

Conversation.

Peiping, August 10, 1932.

Marshal Wu P'ei-fu

Enclosure No. 2
1689

Present: Mr. Perkins.

Subject: Present conditions in China.

I called this morning, with Mr. Perkins, upon Marshal Wu Pei-fu at his house in Peiping near the Tung Sau P'ailou. Arriving at the gate we entered a courtyard where an artificial rock garden hid a large foreign house towards which we made our way escorted by the keeper of the gate. Entering the foreign house, which we found furnished with South China furniture of blackwood inlaid with mother-of-pearl, we entered a room into which immediately came a number of young men, among whom were Mr. Chiu Chang-wei (邱昌渭) and Mr. Tehang Pei Leng (張伯倫). Mr. Chiu stated that some years before he had met me at Changaha when he was a student in the Yale-in-China Middle School. These gentlemen all appeared to be members of some kind of an advisory organization.

Our cards were taken up and pretty soon a message was brought back, which I overheard in Chinese, to the effect that the Marshal had many visitors and would like to have me stay and dine with him in order that we might talk at length. When this was translated as indicating that the Marshal wanted me to wait a minute or two and also wanted me to come to dinner, I said that I had no business with the Marshal; that I merely came to pay a call of courtesy knowing that he was in town and remembering that I had met him in Hunan some

fifteen

- 2 -

fifteen years ago. I said I thought we hardly had time to stay for dinner. This message was apparently carried away and very shortly the messenger returned with a request that we go above. We were then led around and up a stairway, through halls in some of which bags of flour stood, past bedrooms where apparently hangers-on of the Marshal had their habitation, and into a room in the front of the house where we found Marshal Wu P'ei-fu sitting at the end of a table which was strewn with books and papers, and in front of a space cleared for writing, which was provided with old-fashioned Chinese writing materials. A book of reports of some kind, in Chinese, was open at his hand. In the room were a number of people and so far as we could make out, our arrival broke up a very busy meeting. The Marshal, with head clean-shaved, eyes which looked somewhat grey with age, clad in a blue silk, long gown, greeted us very pleasantly and took his seat. The rest of us sat around the table; two gentlemen sat on a settee at the Marshal's back; altogether there were probably ten persons in the room, including ourselves but exclusive of Marshal Wu P'ei-fu.

Immediately behind the Marshal there hung a very interesting old painting representing Kuan Ti, now the god of war, but once a famous general in the period of the Three Kingdoms, and the hero of the end of the Han Dynasty. Kuan

Ti

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By Milton D. Quisenberry NARS, Date 12-18-75

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Ti, seated, held his head cocked to one side in a familiar Chinese pose of deep thought, with his beard clutched in his hand. At his back was his favorite lieutenant, Chao, represented as a be-whiskered individual whispering into Kuan Ti's ear. From the look on Chao's face the subject of his whisper must have been a sly suggestion of some kind or other. It was an interesting picture to see hanging in the room of Wu P'ei-fu, who, to the mind of the common people of China to a certain extent, has typified the heroes of the period of the Three Kingdoms, and whom I found very well read in the story of the Three Kingdoms. Kuan Ti was loyal to the ancient Han Dynasty which found a refuge in the Kingdom of Shu, which was Northern Szechwan; this is again significant when one recalls that Wu P'ei-fu has just returned to Peiping after a long period of exile in Szechwan.

I began the conversation by saying that I recalled with pleasure the fact that fifteen years ago I was Consul at Changsha when he, at the head of an army, took the city, and, having learned of his presence here, I desired to come to pay my respects and to renew an acquaintance then begun, and I said I wondered whether the Marshal would comment to me upon present conditions in China.

The Marshal stated that the situation in China was due to the fact that China had not learned to bring the good that was in foreign countries to China to use. He said that

foreign

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By Milton D. Hueston NARS, Date 12-18-75

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foreign implements of war were being brought into China in great quantities, but that what was actually needed was for China to preserve the good qualities peculiar to the Chinese and to seek the good things that were made in foreign countries.

In describing the qualities which he said were peculiar to the Chinese, and good, he delivered to me a lecture on the subject of relationships, pointing out that the Chinese were forgetting the relation between father and son, between husband and wife, student and teacher, and subject and prince. He illustrated the various relations by examples, among other thin a pointing out that under the old Ching dynasty there were no divorces but since the Republic the relationship between husband and wife had so deteriorated that the courts were now full of divorce cases.

I asked the Marshall what element of the population, whether scholar, soldier, farmer or artisan, seemed to him the most important in this present situation. He said that the scholar was the most important, as it was the duty of the scholar to teach the people how to recognize right from wrong.

We went downstairs at the end of this discourse and were invited to sit at a table where was provided a meal that was simple, but in all respects a meal. This was at half past ten in the morning. While we sat and drank a kind of Shantung

wine

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wine, of which the Marshal drank copiously, we listened to a further discourse on the subject of the preservation of the good qualities of the Chinese. I asked the Marshal what comment he had to make upon the present situation in Nanking. He replied that the situation at Nanking as it was today was due entirely to the fact that the relationship between man and wife had completely broken down.

He spoke of how, during the period of the Three Kingdoms, a machine capable of flying in the air, a boat capable of being propelled by its own power, and a machine capable of going along the road by mechanical power, had been invented. I stated that his description of these inventions during the period of the Three Kingdoms, when conditions in China were so chaotic and when prince fought against prince, interested me exceedingly, for it led me to ask whether he did not think that in a time of great chaos and strife, such as that of the Three Kingdoms, which might be said to resemble the present period, there is not great progress. The Marshal stated that in his opinion there was always progress in a time of chaos.

When I departed I informed the Marshal that I hoped that he might do me the honor of visiting me and of partaking of food in my house. He replied that he never entered foreign concessions and therefore asked me to excuse him. I pointed

out

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out that the diplomatic quarter was not in any sense a "Concession", and that it was a diplomatic community because it was the place of the Legations. He said that nevertheless he would not wish to come, but that he would be pleased to dine with me at any hotel outside, but in the neighborhood of the Legation Quarter.

The above more or less exactly represents what happened when I went, with the Counselor of this Legation, to pay a call upon Marshal Wu P'ei-fu. It is significant when it is remembered that Marshal Wu P'ei-fu has played a prominent part in Chinese politics, and that he is again among those mentioned as a possible successor to Chang Hsueh-liang in this area.

Nelson Trusler Johnson
American Minister.

NTJ:MM

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Sept. 16, 1932.

~~SECRET~~

The attached despatch from
Peiping summarizes two newspaper
comments on the situation in
Manchuria.

J. E. P.

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



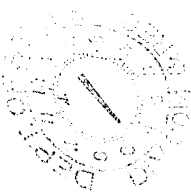
No. 1687

LEGATION OF THE
UNITED STATES OF AMERICA

Peiping, August 18, 1932.

Subject: Editorial Comment on the Manchurian
Situation.

PM RECD



SEP 10 1932

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

F/HS

793.94

note

893.01 Manchurian

The Honorable

The Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
SEP 12 1932
Department of State

THE UNDER SECRETARY
SEP 17 1932
DEPARTMENT OF STATE

793.94/5545

Sir:

1/2/

In continuation of the Legation's despatch No. 1664 of
August 4, 1932 on the above mentioned subject I have the
honor to transmit herewith two additional editorials on
the Manchurian situation which appeared in the PEIPING
CHRONICLE and the PEKING & TIENTSIN TIMES of August 5th
and 8th, respectively. Further editorials of lesser im-
portance will be found among the press clippings which
are being forwarded in the same pouch that carries this
despatch.

In the first editorial, entitled "Facing the Facts",
the PEIPING CHRONICLE (British edited, but government sub-
sidized) refers to the recent statement of the Japanese
Minister of War to the effect that the solution of the

Manchurian

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

- 2 -

Manchurian problem must be based on existing facts, or realities, rather than on theories, implying that the establishment of "Manchukuo" as an independent state is a "fait accompli" which cannot be questioned. The editor makes mention of other "facts that it does not suit the convenience of Japan to recognize", such as the seething discontent in Manchuria even in areas where Japan has been dominant for the past twenty-five years,-- Newchwang and Haicheng, for example, where there have been recent violent outbreaks against Japanese authority. These, it is maintained, are final proof "that the widespread troubles -- are a spontaneous revolt against an imposed and essentially alien administration." Another "fact" which the editor points out is the seizure by Japan of the post offices in Manchuria and of her virtually opening post offices in China "contrary to the Washington stipulations" and to the terms of the Universal Postal Union provisions. The editorial concludes with a plea to the nations of the world to face realities and "to look after their own interests now by a decisive stand alongside this country", failing which "they will wake up some morning to find they have no interests to look after."

This latter statement, which is in the nature of a veiled threat, appearing as it does in a government subsidized newspaper, is indicative of a growing feeling of despair and of impatience in China with the inactivity of the Powers in the present situation. Such feelings might very easily be translated into anti-foreign action at a

subsequent

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

- 3 -

subsequent date.

The PEKING & TIENTSIN TIMES (independent, British owned and edited) in its editorial, entitled "Tumult and Shouting Precede the Captains", refers to the efforts of "Manchukuo" to induce the residents of Jehol to proclaim their allegiance and to furnish the world with another example of "self-determination". The editorial next refers to Japanese efforts to prepare the public for eventualities, to her threats of further armed action, and to her allegations that the Young Marshal is the sinister influence menacing the tranquility of Manchuria, a claim that is completely offset by the demand of Wang Ching-wei that the Young Marshal resign "on the ground that he is still maintaining a passive policy." The facts of the case are, as the editor shrewdly points out, that Japanese propaganda is but a smokescreen for her actions, and that the so-called "volunteers" that are causing so much trouble to the Japanese are not supported to any appreciable degree by the Young Marshal, but they are in reality ex-soldiers and farmers who are fighting for their own interests because conditions have become intolerable, and because "they prefer to be badly governed by their own kind than to be governed most industriously and efficiently by others." Furthermore, "if the Japanese forces evacuated Manchukuo to-day, the State would collapse like a house of cards tomorrow." Those who have claimed Manchuria to be "the life line of Japan", says the editor, now claim that "Jehol has become the life line of Manchuria, and presumably North China is the life line of Jehol." In any

event

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

- 4 -

event this paper is firmly convinced that under one pretext or another Japan will sooner or later take action south of the Wall and occupy North China.

Respectfully yours,



NELSON TRUSLER JOHNSON.

Enclosures:

1. Editorial from the
PEIPING CHRONICAL
August 5, 1932.
2. Editorial from the
PEKING & TIENTSIN TIMES
August 8, 1932.

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RLB/GL

Copy to Tokyo.

THE PEIPING CHRONICLE. Friday, August 5, 1932

FACING THE FACTS.

Several times lately spokesmen for Japan have stated that they do not care what the rest of the world thinks. The Japanese Minister of War has declared that the only solution of the Manchurian problem is a solution that recognizes the facts, in other words, that recognizes that Japan has cast every restraint to the winds, shaken off every bond whether of decency or good faith or reputation, to establish a creature of her own, called "Manchukuo", and has frankly decided to go her own way whether the world likes it or not. Those are the facts, though they are not all the facts. Other facts, facts that it does not suit the convenience of Japan to recognize or to parade, are that throughout the whole of Manchuria there is seething discontent, expressing itself in so-called bandit outrages, sudden sallies by volunteers, constant warfare against the puppet authorities; and now, as a final demonstration, comes a strong anti-Japanese movement in the very region that Japan professes to have been showering blessings and benefactions on ever since 1905. The outbreak at Newchwang and at Haicheng, where Japan has been dominant for a quarter of a century, is perhaps the most significant of the many movements that have manifested the intense bitterness felt by the inhabitants of Manchuria against the new regime and its only authors and begettors. This outbreak right in the railway zone is the final proof, if proof enough did not already exist, that the widespread troubles in Manchuria are a spontaneous revolt against an imposed and essentially alien administration. As was to be expected, the Japanese press messages try to place the responsibility on Chinese leaders within the Wall, and notably on Chang Hsueh-liang; but it is too much to expect the world to believe that agencies so far away as Peiping, cut off from all physical communication or intercourse with Manchuria, and especially with the Railway zone and its sub-zones, can provoke movements of such magnitude right at the very spot where Japanese control is firmest. Our Japanese friends are deceiving themselves. They think that because it is not difficult, with an over-powering military force on the spot, to set up a puppet administration and pull its strings for the delectation of a theatre of military spectators, it is easy also to pull strings and work a set of puppet volunteers at a distance of several hundred miles. Quite clearly, these insurgents against an alien domination are self-impelled to insurgence, driven to it by a sense of outrage the measure of which the Japanese authorities have not yet grasped.

There are some of the facts. Many more might well be reviewed. There is the fact that the Japanese authorities have broken all the promises they made at Washington in 1922. Just at the moment we are thinking of the promises as to post offices. Japan has virtually opened her own post offices in this country contrary to the Washington stipulations, and con-

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

trary to the terms of the Universal Postal Union provisions. It is, of course, all part of the plan of campaign to secure the indirect recognition of "Manchu-kuo" as speedily as possible; but it is a breach of faith none the less. It is a breach of faith in the name of "facing realities", one form of which is "military necessity", that time-honoured excuse for doing anything and everything.

It is time to face other realities, too. The people of this country have already envisaged the possibility, discounted the probability, faced the reality of the fact that nobody is going to help them but themselves. The rest of the world ought to face the reality that if it is prepared for nothing more than talking sloppy sentiment till September and then talking still sloppier sentiment after September, it is going to throw the people of this country back on their own resources in a struggle that will be on too vast a scale to allow of meticulous regard to alien interests; and if the nations of the world are not prepared to look after their own interests now by a decisive stand alongside this country, they will wake up some morning next week or next month or next spring or whenever it may be—and not too distant the time either—to find they have no interests left to look after.

PEKING & TIENTSIN TIMES, MONDAY, AUGUST 8, 1932.

**TUMULT AND SHOUTING
PRECEDE THE CAPTAINS.**

RENGO tells us that negotiations are going on in Manchukuo with the benevolent object of satisfying the ardent desire of the people residing in the territory between the Lan River and Shanhaikuan to be incorporated into the Manchukuo paradise. The mode of procedure is unique in the history of movements for self-determination. It is stated that the majority of influential persons and merchants in Manchuria hail from the Lan valley region—which is somewhat surprising both as a statement and as an admission. Some of these have communed with other influential citizens of Manchukuo hailing from other localities with the object of incorporating the Lan region into Manchu State. A concrete plan was devised and preparations made to carry it out. In accordance therewith, the "entire people" in this region will proclaim their independence in a few days, and formally request that they be taken over. The Manchukuo Government will, we are assured, gladly give its consent. That is quite natural. It has so much trouble trying to maintain order and to keep the railways running in Manchuria that it would be a welcome relief to take over a piece of territory where absolute order prevails and where it will be able to enforce, without the delays occasioned by events in Manchuria, the principles of reconstruction on which the paradise-on-earth is to be based.

It is added, in the same despatch, that a couple of designing Warlords are ready to pitchfork the Young Marshal out of office in Peiping. Furthermore, it has been discovered that the Volunteers who captured Mr. Ishimoto are not as respectable as they were thought to be. They are not patriots insisting on making trouble for invaders with the object of regaining their "lost territory." Nor are they in the second-ranking category to which the far-spreading and mysteriously potent forces of Chang Hsueh-

liang belong. They are simply bandits who are seeking either money or official preferment as a condition for the return of their captive. This disclosure makes the whole episode more dubious than ever. But that need not be gone into. After all, mere pretexts amount to nothing. It would be better if there were fewer. The real point is that the War Office in Tokio has announced its determination to conduct the operations for the rescue of the captive with its own forces.

There has been a good deal more shouting than is usual in preparing the public mind for eventualities. Day after day there have been threats of further armed action by the Japanese troops. No doubt the object was to persuade the various peace-loving elements in the North, anxious to avoid trouble north of the Yellow River, to overthrow the Young Marshal and establish another virtually independent State, eager to keep peace with Manchukuo. Local forces hitherto have found it impossible to exploit the situation. Now that the matter has become an issue of Central Government politics, a change may come over the scene. While the Japanese attribute everything unpleasant that has happened in the S.M.R. Zone—and indeed all over Manchuria—to the influence and instigation of Chang Hsueh-liang, the head of the Executive Yuan in Nanking, Mr. Wang Ching-wei, has demonstratively resigned and demanded the resignation of the Young Marshal, on the ground that he is still maintaining a passive policy. He is therefore assailed from front and rear, and his position is now far more difficult than it has ever been.

Of course, it is incredible that his influence is all-pervading among the volunteers and so-called bandits in Manchuria. All this propaganda is, if we are not much mistaken, a huge smoke-screen. It is difficult to please some people. The Mukden armies offered practically no resistance to the Army of Occupation, and ran away with the utmost discretion. Whether this aspect of co-operation was welcome or unwelcome cannot

Enclosure No. 2
Despatch No. 1687

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

easily be determined. It did make things a little more difficult abroad. And the only overt act officially committed was the recent despatch of troops, not actually into Jehol, but to the vicinity of the border. Whether this had as much relation to a passion for the recovery of the "lost territory" as to a fear for the loss of revenue at present derived from Jehol's produce is a matter it would be profitless to discuss.

But surely the Japanese Army did not imagine that it would have a different experience in Manchuria from that which it suffered at the hands of the local population in Eastern Siberia! There is a reason—a multitude of reasons in fact—why it is that the interior of China, which was relatively peaceful and orderly three years ago, has become involved in a tremendous upheaval as serious as that during the Taiping rebellion. Events can happen in this country as they have always happened in others. Nothing was more likely in Manchuria, after the occupation by the Japanese Army, than the transformation of the vigorous farming population there, as in China Proper, into armed forces. There is widespread rebellion in China against the Kuomintang and the ruling Militarists. A few years ago these bodies of men, mostly ex-soldiers and farmers, were called by various fanciful Chinese names, such as Red Spears, Heavenly Gate Society, etc. They were in revolt because conditions became unendurable. The volunteers in Manchuria are not taking their lives in their hands and attacking the Japanese at all vulnerable points for the beautiful eyes of anybody but themselves. They are, like their fellow-rebels in China, discontented men. Arabs and Chinese, Boers and Britons, Turks and Croats, Filipinos and any other politically conscious people have one thing above all else in common in this narrowed world: they prefer to be badly governed by their own kind than to be governed most industriously and efficiently by others. And even when they

are badly governed by their own kind they sooner or later make a fuss about it.

The Tokio War Office says that the Young Marshal plans to recover his "lost territory." Such personal preparations as rumour speaks of, indicate that he is not by any means so optimistic. Probably he regards his future as involving more likelihood of pleasant exile abroad than an early return to his old home in Mukden. If one penetrates the smoke-screen, the question resolves itself into a simple issue. Will Tokio be satisfied if a semi-independent State guaranteed to be of good behaviour is established north of the Yellow River, or does the plan involve the occupation of that region? If the Japanese forces evacuated Manchukuo to-day, that State would collapse like a house of cards to-morrow. And without adequate military support from Japan a semi-independent State composed of the flotsam and jetsam of the revolutionary struggle could not exist in North China. Manchuria, we are told, is the life-line of Japan. Jehol has become the life-line of Manchuria, and presumably North China is the life-line of Jehol. How much deeper the life-line goes we cannot yet tell. The problem, as we insisted many months ago when the disorders occurred in Tientsin is not whether, but when, intervention will come within the Wall. In this connexion it is quite possible, in view of the crisis in the Central Government owing to Wang Ching-wei's resignation, that events will first bear a domestic complexion. But though changes may be precipitated in Peiping and elsewhere in this province at an early date, and Japan may hold her hand while making further efforts to put down the risings and raids in Manchuria, sooner or later she will act in North China.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 13, 1932.

~~TOP SECRET~~
JUL 1932
SECRET

Mukden's unnumbered despatch of August 9, 1932, encloses a copy of its despatch No. 641 of the same date to Peiping, stating that the Japanese War Ministry's statement of warning to Chang Hsueh-liang, already reported to this Division, and a statement of the official spokesman of Japanese headquarters on August 8 to the effect that Chang is using Jehol as he used Chinchow, together with Japanese press reports, are, if precedents may be relied upon, designed to show provocation for Japanese entry into Jehol. The Japanese are careful not to involve T'ang Yu-lin, apparently being anxious to insure his support of Manchoukuo and thus effect a comparatively peaceful entry into Jehol. T'ang's final decision will probably be determined by the circumstances of the situation. There is a report that Ishimoto, who is given as the excuse for entry into Jehol, will be sent to Peiping for delivery to the Japanese authorities, a statement that is apparently intended further to involve Chang.

Japanese are suspected of having designs between the Great Wall and the Lan River, attributable to strategic reasons. The alleged independence movement in the Lan

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

-2-

Valley and the Korean incident at Chinwangtao,
recently mentioned in the Japanese press,
may possibly mark the beginning of the
customary press campaign.

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

No. -----

AMERICAN CONSULATE
GENERAL,
Mukden, China, August 9, 1932.

PM RECD



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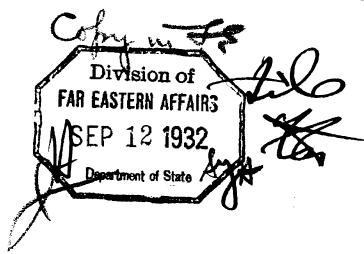
SEP 12 32

SUBJECT: Portents of Future Developments.

CONFIDENTIAL - For Staff Use Only.

THE HONORABLE

THE SECRETARY OF STATE,
WASHINGTON.



F/HS

SIR:

793.94

I have the honor to enclose herewith a copy of
my despatch No. 641 to the Legation at Peiping, China,
dated August 9, 1932, on the above subject.

793.94/5546

Respectfully yours,

M. S. Myers
M. S. Myers
American Consul General.

Enclosure:

Copy of despatch No. 641
to the Legation at Peiping.

4 Carbon Copies
Received *JM*

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SEP 21 1932

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

No. 641.

AMERICAN CONSULATE GENERAL

Mukden, China, August 9, 1932.

CONFIDENTIAL - For Staff Use Only.

SUBJECT: Portents of Future Developments.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping, China.

Sir:

1/-

I have the honor to enclose herewith a copy of a verbal communique of the War Ministry, Tokyo, released on August 4, in regard to the manoeuvres of Marshal Chang Hsueh-liang for the purpose of recovering the northeastern provinces, having reference particularly to the sending of a detachment of his army into Jehol Province. It states among other things that "the present manoeuvres of General Chang are no less serious and intolerable than the large scale operations of bandits aimed at the South Manchuria Railway zone around Liaosi (Liaohsi) last autumn. At that time, the Imperial Army when it finally came to the end of its patience, speedily swept away the marauders and brought peace and order to that region." It concludes with the warning that if he and his henchmen repeat the outrages, they will "dig their own graves."

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

- 2 -

The official spokesman of Japanese Headquarters made the statement yesterday that Jehol is being used by Marshal Chang in the same way as Chihnsien was last autumn. He stated also that a Mongol had been appointed by the Marshal as head of the volunteers in northern Jehol.

These statements and Japanese press reports, are if precedents may be relied upon, designed to show provocation for the movement of Japanese troops into Jehol Province as soon as circumstances permit (the roads are not passable during the rainy season) in order to complete the occupation of the territory claimed by the Japanese for the new state. The evident care of the Japanese not to involve T'ang Yü-lin, Chairman of Jehol Province, in anti-Manchoukuo moves indicates that the military authorities are extremely anxious to insure his support of Manchoukuo and thereby be enabled to effect a comparatively peaceful entry into that province which otherwise might be attended with much difficulty. The War Office's statement would seem to indicate that T'ang Yü-lin had promised allegiance to Manchoukuo, a claim that this office has never been able to verify. T'ang's reputation, however, supports the conclusion that his attitude will in the final analysis be determined by the circumstances of the situation.

It is significant that the Japanese hold Chang Haush-liang responsible for the capture and detention of Mr. Gonshiro Ishimoto, commonly referred

to

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

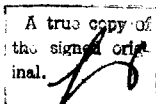
- 3 -

to as a liaison officer, who is understood to belong to a special service of the Kwantung Army and to have been on a mission to Jehol at the time of his capture by bandits to arrange for the routing of the Jehol opium traffic through Manchuria, as heretofore, for the benefit of Manchoukuo. The latest report current here is that he will be sent to Peiping for delivery to the Japanese authorities, a statement that is seemingly intended further to involve Marshal Chang in this case.

The Japanese have been suspected for some time of having designs on the intra-mural districts in Hopei Province between the Great Wall and the Lan River which was the front line held by Chang Hsueh-liang's troops before they occupied Tientsin and Peiping in the autumn of 1930. This move besides being attributable to strategic reasons would insure participation in the very profitable railway traffic between Tangshan and Chinwangtao and the control of that port. The alleged independent movement in the Lan valley and the incident involving the Korean residents at Chinwangtao which have been mentioned in recent Japanese press reports may possibly mark the beginning of the customary press campaign. It is reasonable to presume that until, at least, the immediate objectives of the Japanese military are realized provocation for their activities will be found.

Respectfully yours,

M. S. Myers,
 American Consul General



Enclosure

119
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 4 -

Enclosure:

Press report of War Office Communique.

Original and one copy to Legation.
Five copies to Department.
One copy to Consulate General, Harbin.
One copy to Embassy, Tokyo.

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

Enclosure to despatch No. 641 of M. S. Myers, American Consul General, Mukden, China, dated August 9, 1932, to the Legation, Peiping, on the subject "Portents of Future Developments".

ARMY IS DETERMINED TO DEAL STERNLY WITH
CHANG'S MANOEUVRES

Statement Issued

War Authorities Indignant At Despatch of
Hopei Troops to Jehol

(From The Osaka Mainichi, August 7, 1932.)

Indignant at General Chang Hsueh-liang's ruthless manoeuvres to disturb Manchurian peace, by sending a detachment of his Northeastern Army into Jehol Province, the War authorities issued a verbal communique on Thursday evening in which they expressed a stern attitude, and threatened to take drastic measures against the Manchurian disturber.

"Activities of Chinese soldier bandits along the South Manchuria Railway," they said, "have become rife of late. This is due to the campaign for disturbance of Manchukuo being carried on by General Chang. He is bent on recovering his former Northeastern Provinces, through the sinister manipulation of the Volunteer Army.

"According to reliable information, Chang established at Peiping an anti-Japanese body called the Northeastern People's Anti-Japanese Society. This is the headquarters of Chang's manoeuvres to throw Manchuria into confusion.

"Simultaneously, he divided the former Three Eastern Provinces into five military districts. To each of them he has appointed a commander of the Volunteer forces. Each district is further divided into 20 'routes', having a so-called defence army, with the infantry as its nucleus. The 'national salvation army' has the cavalry for its foundation and the Volunteer Army is composed chiefly of mounted bandits.

"General Chang supplies funds to these groups and is contemplating ordering them to rise, taking advantage of the time when kaoliang grows thickest.

"In accordance with the design, in the direction of Jehol he dispatched no less than five brigades (three infantry brigades and one each brigade of artillery and

cavalry

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

- 2 -

cavalry). Through threat and intimidation, he forced General Tang Yu-lin to revolt against the Manchukuo Government.

"Furthermore, in inciting the Volunteer corps in Jehol Province, especially along the Chinchow-Chaoyang line, Chang had taken Liaison Officer Ishimoto a prisoner. He has constantly instigated the corps to take hostile action against Japanese patrols.

"Moreover, General Chang appointed Maj.-General Wang I-tei, the defeated soldier commander of Peitaying, the general commander of the Volunteer Army and placed the picked troops of the aforementioned five brigades under Wang. The first batch of the Volunteer corps, numbering 2,000, had already advanced to Chengtse and Lanchow in Jehol Province. He has thus begun revealing his sinister anti-Manchukuo and anti-Japanese schemes.

"The present manoeuvres of General Chang are no less serious and intolerable than the large scale operations of bandits aimed at the South Manchuria Railway zone around Liaosi last autumn. At that time, the Imperial army, when it finally came to the end of its patience, speedily swept away the marauders and brought peace and order to that region.

"If General Chang Hsueh-liang and his henchmen repeat the outrages, they are liable to cause a grave situation. They had better understand that by flirting with such dangerous scheme they are doing nothing but dig their own graves."

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

No. -----

AMERICAN CONSULATE
GENERAL,
Mukden, China, August 9, 1932.

SUBJECT: Portents of Future Developments.

CONFIDENTIAL - For Staff Use Only.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to enclose herewith a copy of
my despatch No. 641 to the Legation at Peiping, China,
dated August 9, 1932, on the above subject.

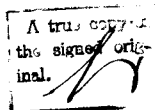
Respectfully yours,

M. S. Myers
American Consul General.

Enclosure:

Copy of despatch No. 641
to the Legation at Peiping.

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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 D. Quisenberry NARS, Date 12-18-75

No. 641.

AMERICAN CONSULATE GENERAL

Mukden, China, August 9, 1932.

CONFIDENTIAL - For Staff Use Only.

SUBJECT: Portents of Future Developments.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping, China.

Sir:

1/-

I have the honor to enclose herewith a copy of a verbal communique of the War Ministry, Tokyo, released on August 4, in regard to the manoeuvres of Marshal Chang Hsueh-liang for the purpose of recovering the northeastern provinces, having reference particularly to the sending of a detachment of his army into Jehol Province. It states among other things that "the present manoeuvres of General Chang are no less serious and intolerable than the large scale operations of bandits aimed at the South Manchuria Railway zone around Liaosi (Liaochai) last autumn. At that time, the Imperial Army when it finally came to the end of its patience, speedily swept away the marauders and brought peace and order to that region." It concludes with the warning that if he and his henchmen repeat the outrages, they will "dig their own graves."

The

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

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The official spokesman of Japanese Headquarters made the statement yesterday that Jehol is being used by Marshal Chang in the same way as Chinghsien was last autumn. He stated also that a Mongol had been appointed by the Marshal as head of the volunteers in northern Jehol.

These statements and Japanese press reports, are if precedents may be relied upon, designed to show provocation for the movement of Japanese troops into Jehol Province as soon as circumstances permit (the roads are not passable during the rainy season) in order to complete the occupation of the territory claimed by the Japanese for the new state. The evident care of the Japanese not to involve T'ang Yü-lin, Chairman of Jehol Province, in anti-Manchoukuo moves indicates that the military authorities are extremely anxious to insure his support of Manchoukuo and thereby be enabled to effect a comparatively peaceful entry into that province which otherwise might be attended with much difficulty. The War Office's statement would seem to indicate that T'ang Yü-lin had promised allegiance to Manchoukuo, a claim that this office has never been able to verify. T'ang's reputation, however, supports the conclusion that his attitude will in the final analysis be determined by the circumstances of the situation.

It is significant that the Japanese hold Chang Hsueh-liang responsible for the capture and detention of Mr. Genshiro Ishimoto, commonly referred to

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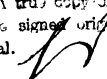
- 3 -

to as a liaison officer, who is understood to belong to a special service of the Kwantung Army and to have been on a mission to Jehol at the time of his capture by bandits to arrange for the routing of the Jehol opium traffic through Manchuria, as heretofore, for the benefit of Manchoukuo. The latest report current here is that he will be sent to Peiping for delivery to the Japanese authorities, a statement that is seemingly intended further to involve Marshal Chang in this case.

The Japanese have been suspected for some time of having designs on the intra-mural districts in Hopei Province between the Great Wall and the Lan River which was the front line held by Chang Haueh-liang's troops before they occupied Tientsin and Peiping in the autumn of 1930. This move besides being attributable to strategic reasons would insure participation in the very profitable railway traffic between Tangshan and Chinwangtao and the control of that port. The alleged independent movement in the Lan valley and the incident involving the Korean residents at Chinwangtao which have been mentioned in recent Japanese press reports may possibly mark the beginning of the customary press campaign. It is reasonable to presume that until, at least, the immediate objectives of the Japanese military are realized provocation for their activities will be found.

Respectfully yours,

M. S. Myers,
 American Consul General

A true copy of
 the signed original.


Enclosure

7204
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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Enclosure:

Press report of War Office Communiqué.

Original and one copy to Legation.
Five copies to Department.
One copy to Consulate General, Harbin.
One copy to Embassy, Tokyo.

800
MSM:MHP

Enclosure to despatch No. 641 of M. S. Myers, American Consul General, Mukden, China, dated August 9, 1932, to the Legation, Peiping, on the subject "Portents of Future Developments".

ARMY IS DETERMINED TO DEAL STERNLY WITH
CHANG'S MANOEUVRES

Statement Issued

Sar Authorities Indignant at Despatch of
Hopei Troops to Jehol

(From The Osaka Mainichi, August 7, 1932.)

Indignant at General Chang Hsueh-liang's ruthless manoeuvres to disturb Manchurian peace, by sending a detachment of his Northeastern Army into Jehol Province, the Sar authorities issued a verbal communique on Thursday evening in which they expressed a stern attitude, and threatened to take drastic measures against the Manchurian disturber.

"Activities of Chinese soldier bandits along the South Manchuria Railway," they said, "have become rife of late. This is due to the campaign for disturbance of Manchukuo being carried on by General Chang. He is bent on recovering his former Northeastern Provinces, through the sinister manipulation of the Volunteer Army.

"According to reliable information, Chang established at Peiping an anti-Japanese body called the Northeastern People's Anti-Japanese Society. This is the headquarters of Chang's manoeuvres to throw Manchuria into confusion.

"Simultaneously, he divided the former Three Eastern Provinces into five military districts. To each of them he has appointed a commander of the Volunteer forces. Each district is further divided into 20 'routes', having a so-called defense army, with the infantry as its nucleus. The 'national salvation army' has the cavalry for its foundation and the Volunteer Army is composed chiefly of mounted bandits.

"General Chang supplies funds to these groups and is contemplating ordering them to rise, taking advantage of the time when kaoliang grows thickest.

"In accordance with the design, in the direction of Jehol he dispatched no less than five brigades (three infantry brigades and one each brigade of artillery and

cavalry

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

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cavalry). Through threat and intimidation, he forced General Tang Yu-lin to revolt against the Manchukuo Government.

"Furthermore, in inciting the Volunteer corps in Jehol Province, especially along the Chinchow-Chaoyang line, Chang had taken Liaison Officer Ishimoto a prisoner. He has constantly instigated the corps to take hostile action against Japanese patrols.

"Moreover, General Chang appointed Maj.-General Wang I-tei, the defeated soldier commander of Peitaying, the general commander of the Volunteer Army and placed the picked troops of the aforementioned five brigades under Wang. The first batch of the Volunteer corps, numbering 2,000, had already advanced to Chengtse and Lanchow in Jehol Province. He has thus begun revealing his sinister anti-Manchukuo and anti-Japanese schemes.

"The present manoeuvres of General Chang are no less serious and intolerable than the large scale operations of bandits aimed at the South Manchuria Railway zone around Liaosi last autumn. At that time, the Imperial army, when it finally came to the end of its patience, speedily swept away the marauders and brought peace and order to that region.

"If General Chang Hsueh-liang and his henchmen repeat the outrages, they are liable to cause a grave situation. They had better understand that by flirting with such dangerous scheme they are doing nothing but dig their own graves."

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 17, 1932.

~~SECRET~~

Geneva's despatch No. 333 of September 3, 1932, transmits two documents relating to the appeal of the Chinese Government under the Covenant of the League of Nations. The contents of these documents are already known to FE. The first is the Japanese notification to the Secretary General of the League that General Muto was appointed Ambassador Extraordinary and Plenipotentiary on special mission, etc., and the second is the speech of Dr. Io Wen-kan, of August 29, commenting on Count Uchida's speech before the Diet.

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

NO. 333 Political.

AMERICAN CONSULATE,

Geneva, Switzerland, September 3, 1932.

DEPARTMENT OF STATE
DIVISION OF
COMMUNICATIONS AND RECORDS
LEAGUE OF NATIONS SECTION

SEP 13 1932

1-COPY RETAINED

Division of
FAR EASTERN AFFAIRS
SEP 14 1932

Department of State

SUBJECT: Transmitting Sino-Japanese Documents for
Period August 1 to August 31, 1932.

1-1056 GPO

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to the Consulate's despatch
No. 312 Political of August 3, 1932, and previous despatches
transmitting documents relating to the appeal of the Chinese
Government under the Covenant of the League of Nations.

In pursuance of the practice that has been followed in
this matter, further documents which were issued during the
period August 1 to August 31, inclusive, are being forwarded
1/2/ as enclosures to this despatch.

Respectfully yours,

Prentiss B. Gilbert
Prentiss B. Gilbert,

American Consul.

Enclosures:

No.1: League Document C.594.M.292.1932.VII.
No.2: " " A(Extr.)139,1932.VII.

Original and 5 copies to Department of State.
1 copy to American Legation, Berne, Switzerland.

F/H/S

793.94/5547

SEP 22 1932

FILED

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

Enclosure No 1
with No 333 P.L. of
Sep. 3. 1932

LEAGUE OF NATIONS

Translation.

Communicated to the Council
and the Members of the League.

C.594.M.292.1932.VII.

Geneva, August 13th, 1932.

APPEAL FROM THE CHINESE GOVERNMENT.

Communication from the Japanese Delegation.

Note by the Secretary-General.

The Secretary-General has the honour to circulate the following Note, dated August 11th, which he has received from the Director of the Japanese League of Nations Office:

To the Secretary-General.

Acting upon instructions from my Government I have the honour to forward herewith a note from the Japanese Government concerning the appointment of an Ambassador Extraordinary and Plenipotentiary on special mission in Manchuria.

(Signed) S. SAWADA,
Director of the Japanese
League of Nations Office.

The Japanese Government, having realised for some time the necessity of setting up a suitable institution with a view to co-ordinating the various Japanese institutions in Manchuria, has now succeeded, with this object, in placing the several existing organisations, that is the consular services, the Kwantung General Government and the armies, under the direction of a single person, while maintaining intact as heretofore the constitution and competence of those organisations. General Muto was accordingly appointed on August 8th, 1932, Commander-in-Chief of the Kwantung Army and at the same time Ambassador Extraordinary and Plenipotentiary on special mission in Manchuria and Governor-General of Kwantung.

This appointment as Ambassador on special mission has been made in virtue of Imperial Decree No. 64 of 1917, which provides that an Ambassador Extraordinary and Plenipotentiary or an Envoy Extraordinary and Minister Plenipotentiary may be appointed on special mission should the necessities of the case require that diplomatic agents be sent abroad to carry out special missions. General Muto has been sent to Manchuria to settle necessary matters such as the command and supervision over the Japanese consuls in Manchuria, taking into account the new and actual state of affairs in that territory. He does not, in consequence, bear credentials, and the appointment has been made simply by the unilateral will of our country.

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

Enclosure No 2
with No 33342. of
Sep. 3. 1932

LEAGUE OF NATIONS

Communicated to the Assembly,
the Council and the Members of
the League.

A. (Lxtr.) 139.1932.VII
Geneva, August 31st, 1932.

APPEAL FROM THE CHINESE GOVERNMENT.

Communication from the Chinese Delegation.

Note by the Secretary-General.

At the request of the Chinese delegation, the
Secretary-General has the honour to circulate to the Assembly
the following communication dated August 30th.

1A/31334/31334 in XVIII

Rf./A.48.

August 30th, 1932.

To the Secretary-General.

I have the honour to transmit to you the text of a
speech delivered at a Memorial Service by His Excellency
Dr. Lo Wen-kan, Minister of Foreign Affairs, on the 29th
instant, and shall be deeply obliged if you will be so good
as to circulate the same among the members of the Council,
the Special Committee of Nineteen and the Special Assembly.

(Sgd) W. W. YEN.

793.94/5547

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

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TEXT OF A TELEGRAM, DATED AUGUST 29th, 1932,
RECEIVED BY THE CHINESE DELEGATION FROM NANKING.

Dr. Lo Wen-kan, Chinese Foreign Minister, delivered the following speech at the memorial service on August 29th:

"Japan has at last thrown down the gauntlet against the conscience of the whole world. The long speech delivered before the Japanese Diet on August 25th by Count Uchida, Japan's Minister for Foreign Affairs, laid bare Japan's intentions so completely that she need not seek any pretext in the further prosecution of her scheme of aggression in China. Ignoring the entreaties for peace of all humanity, defying the League of Nations and other peace machinery, disregarding her obligations assumed under solemn international treaties, Japan has told the world to the effect that she has the right to invade Chinese territory, to seize the three Eastern Provinces, to set up the puppet government and call it an independent state and finally, to shape and control its destiny until Japan and her puppet become one political entity, in name as well as in fact. Count Uchida's thesis is indeed a tale of mediaeval militarism guised in the language of the twentieth century.

"Japan has pleaded self-defence for all her acts of aggression, and she now argues that the exercise of the right of self-defence may extend beyond the territory of the Power exercising that right and that the Kellogg-Briand anti-war Pact does not prohibit the signatory Power from availing itself of that right at its own discretion. Such pernicious argument reveals the attempt on the part of Japan to destroy the validity of the Anti-War Pact altogether. If it could be accepted by the other sixty-one signatory powers as the correct interpretation of that epoch-making treaty, then the whole document would be a sham,

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and nations which have renounced war as the instrument of national policy would seem to have reserved the right to fight an aggressive war on the territory of a neighbouring power.

"In point of fact, the signatory powers, including Japan, of that famous treaty mutually agreed that the settlement or the solution of all disputes or conflicts of whatever nature or of whatever origin they might be which might arise among them, shall never be sought except by pacific means. If Japan had really suffered injuries of her important rights and interests in China as she now seems to contend, she could, by resorting to pacific means known in international law, seek due redress from the Chinese Government. Without even bringing any cause of complaint to the knowledge of the National Government, Japan, on the night of September 18th, 1931, caused her troops to open a sudden and unprovoked attack on the Chinese garrison at Shenyang (Mukden) and seize that city by force, and then deliberately and progressively extended her military operations until whole Manchuria is now under her occupation and control. To plead self-defence under such circumstances only aggravates the wrong deeds of the pleading party. In the words recently uttered by Colonel Stimson, Secretary of State of the United States of America, 'A nation which sought to mask its imperialistic policy under the guise of the defence of its nationals would soon be unmasked', and Japan has already unmasked herself.

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"It is a highly preposterous assertion to say that the puppet organisation created and supported by Japan herself has achieved independence through the spontaneous will of the Manchurians, and that the Nine-Power Treaty does not forbid any separatist movement in China, nor the recognition by Japan of any new state formed as the result of such a movement.

"The whole world knows that in the Three Eastern Provinces there has never been any separatist movement from within, but there has been aggressive imperialistic movement from without. It is the Japanese militarists who have brought all the theatrical paraphernalia to Manchuria and set up on the stage the bogus government, styled by the epithet of the Independent State of Manchukuo. It is the Japanese militarists who have translated their own free will into action. It is the Japanese militarists who are browbeating, intimidating and oppressing thirty million citizens of the Republic of China, who are prevented by sheer force from asserting their own spontaneous will. Geographically, historically and ethnically, the Three Eastern Provinces will remain part of the Chinese territory, and the inhabitants of these provinces will remain loyal citizens to the Chinese Republic. Japanese troops once withdrawn, the bogus organisation will at once collapse like a pack of cards.

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"If there were in China a separatist movement in the true sense of the term, the Nine-Power Treaty might not be brought into play, as that treaty is not designed to regulate questions in China of purely domestic nature. But when a part of the Chinese territory has been forcibly seized and occupied by Japan, who maintains therein organization of its own creation, there is not the slightest doubt that such actions constitute flagrant violations of those provisions of the Nine-Power Treaty, whereby the signatory powers, including Japan, engage to respect the territorial and administrative integrity of China. Japan's guilt in violating this treaty commenced with the opening of her attack on the night of September 18th, 1931, and has been continuously aggravated with each of her subsequent acts, including the kidnapping of Pu Yi and placing him at the head of the puppet organization. Her guilt will assume still greater proportions, but will not be different in nature, when she carries out her declared intention to accord recognition to the unlawful régime she herself has created.

"Count Uchida knew himself that he was making an assertion which was diametrically opposite to truth, when he declared that Manchuria had entered upon a career of sturdy and healthy progress. There are unmistakable evidences of the people's opposition to the Japanese domination gathering momentum every day and everywhere in the Three Eastern Provinces. In face of Japan's bombing and gunfire, the volunteer forces keep on their activities with redoubled energy. As for commerce and industry in Manchuria, they have been steadily on the decline since the Japanese occupation, and, in fact, never have economic conditions in that region been worse than they are at present. There will be no peace and prosperity in the Three Eastern Provinces until all Japanese troops

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have been withdrawn from places where they have no right to appear, and until the Chinese Government regains control over the land now temporarily lost to us.

"The Japanese Foreign Minister attempting to justify Japan's aggression in China referred to our domestic administration and communistic activities. We do not pretend to possess a perfect administration, an administration free from those political vicissitudes common to all countries. Nor do we claim complete successes of our work in suppressing communism thus undertaken. We also admit that we have not been exempt from the effects of the universal economic depression. We were harassed last year by unprecedented floods and are still suffering from their damaging consequences. Under such circumstances we had believed that the Japanese people, like every other nation, would have shown us the greatest sympathy and would have given us at least moral help to our stupendous task of rehabilitation. That Japan should take advantage of China's internal difficulties, and launched a premeditated scheme of military aggression yet unheard of in the annals of the modern world was indeed beyond human conjecture.

"Japan has now defied the whole world - the League of Nations, the Anti-War Pact, the Nine-Power Treaty and other international commitments, and finally the public opinion of mankind. She is labouring under a fanciful idea that she could realise her military conquest by rushing matters through and creating faits accomplis before the world pronounces its final judgment. But the enlightened nations of the world have already declared that they will not recognise the situation brought about by violence.

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

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"I want to take this opportunity to emphasise a few important points of the policy of the Chinese Government in respect to the present situation.

"1. Neither the Chinese Government nor the Chinese people entertain the least anti-foreign feelings. However, in view of the present state of affairs produced by Japan's military aggression, it is absolutely impossible for the Chinese people to express very cordial and friendly sentiments toward the Japanese. It entirely rests with Japan herself to improve and to restore relations between the Chinese and the Japanese peoples.

"2. China will never surrender one inch of her territory, nor any of her sovereign rights under stress of military force which she condemns, and is determined to resist with the best of her ability.

"3. China will never agree to any solution for the present situation which takes into account the puppet organisation in the Three Eastern Provinces, established, maintained and controlled by the Japanese military forces.

"4. China is confident that any reasonable proposal for the settlement of the present situation will be necessarily compatible with the letter and spirit of the Covenant of the League of Nations, the Anti-War Pact, the Nine-Power Treaty, as well as with China's sovereign power, and will also effectively secure everlasting peace in the Far East."

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

DOCUMENT FILE

NOTE

SEE 893.00/12138 FOR Despatch # 177.

FROM Tientsin (Atcheson) DATED August 17, 1932.
TO NAME 1-1127

REGARDING:

Invasion of Jehol by Japan was ostensibly in
the way of reprisal for the alleged seizure
by the Jehol military of one Ishimoto, a
liaison officer of the Kwantung Army.

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

CONFIDENTIAL

No. 177.

AMERICAN CONSULATE GENERAL,

Tientsin, China, August 17, 1932.

SUBJECT: The Situation in North China.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to enclose, in quintuplicate,
copies of my despatch to the Legation, No. 239 of
August 16, 1932, in regard to the situation in North
China.

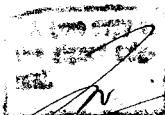
Respectfully yours,

George Atcheson, Jr.,
American Consul.

Enclosure:
To Legation, August 16, 1932.

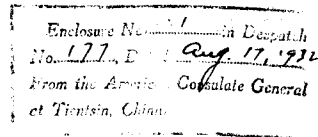
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GA/DA:W

Original and 4 copies to the Department.



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

No. 250.



AMERICAN CONSULATE GENERAL,

Tientsin, China, August 16, 1932.

Subject: The Situation in North China.

The Honorable

Nelson Trusler Johnson,
American Minister,
Peiping, China.

Sir:

I have the honor, upon my return from leave of absence, to submit the following comment on the present situation in North China:

The long-standing feud of the Japanese with Marshal Chang Hsueh-liang, patently displayed in Japanese press despatches for many months, culminated in definite action on July 20 when Japanese planes bombed Chaoyang following a short propaganda campaign which indicated that Jehol Province was about to become the center of events. (1) This action, which according to press reports was supported by the despatch of armored cars and two infantry brigades, was ostensibly in the way of reprisal for the alleged seizure by the Jehol military of one Ishimoto, a liaison officer of the Kwantung Army. The bitter press attacks against the Young Marshal which preceded it had indicated that the Japanese military contemplated taking definite steps to stop the assistance which

Chang

1. Vide despatch No. 250, August 6, Monthly Political Review for July.

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

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Chang was allegedly rendering the so-called volunteers outside the wall by sending officers and munitions through Jehol, and it was generally believed here that the Japanese press propaganda showed an unmistakable and growing determination to eliminate Chang from the political scene. The invasion of Jehol was a change of tactics; theretofore (this is a matter of opinion only but it is supported by many indications) their political strategy consisted in fomenting opposition to him among his natural political enemies and even-- the Shih Yu-san revolt of 1931 may perhaps be cited as an example--by giving actual support to movements against him. Jehol was described as already a part of Manchukuo and as having participated in the formation of the new state; its actual inclusion by force in the new Manchurian political region would have caused the Young Marshal such loss of face, on top of his relinquishment of Liaoning Province without even a gesture of resistance, that he would doubtless have been forced to retire.

But, as it transpired, neither the rise of traitors among his countrymen to strike him down (2)

or

3. Consulate General's Political Review for July, p.11: "There has been no doubt for a long time that the Japanese are anxious to eliminate Chang Kuang-liang from the North China scene. It would, of course, be preferable from their point of view if some of the dissatisfied northern military leaders should undertake to accomplish the task for them Unfortunately for them the North China battlefields which have for long been so fertile in treachery are not ripe for this particular kind of treason, since to turn against Chang is to turn to Japan and, in the absence of the

force majeure

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or the military occupation of Jehol (which would be a tremendous task due to rough character of the terrain) was necessary to bring about their desires. Mr. Wang Ching-wei, President of the Executive Yuan and virtually prime minister, announced his resignation on August 6, citing as his reason dissatisfaction with the policy of non-resistance against Japan in North China.

This dovish move in the conflict between Wang and Chiang Kai-shek appears also to have been an expression of the profound and growing divergence which, beneath the multifarious cross-currents of politics, has been moulding ^{the} Chinese public into two schools of opinion in respect to the question of undertaking active military resistance against the Japanese in the Three Eastern Provinces. Chang Hsueh-liang, who has throughout the Sino-Japanese dispute held himself to be the obedient subordinate of Chiang Kai-shek, became the scapegoat. Why Mr. Wang did not openly attack the Generalissimo, leader of the most powerful ^{civil} faction in the Government and opposed all along to armed resistance against Japan, is a matter for speculation ⁽³⁾ whose solution may be found either in a natural fear of making a

direct

force majeure which confronted many Chinese officials in Manchuria, it is doubtful if any of the northern militarists, no matter how much they may have cause to hate the Young Marshal, would dare face the wrath of their countrymen by so directly abetting the national enemy."

3. An interesting discussion of Wang's resignation and the background of general events is contained in an editorial in the August 9th issue of the PEKING AND TIENTSIN TIMES: "The resignation of Mr. Wang Ching-wei--whether a mere political gesture to conciliate public opinion which is growing more and more hostile to the passive policy regarding Manchuria, or a definite cutting of the Gordian knot in preparedness

for

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

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direct challenge, or in the characteristics of a race that is endowed with a genius for indirection in accomplishment through dark obscurities of trepidation and

for a new political struggle outside the Government-- is symptomatic of the deep-seated divergencies in the Central Government. We know that the controversial Loyang Conference resolved on a policy of prolonged resistance, and the adoption both of diplomatic and of military methods in defence of the country's interests. That resolution was no sooner passed than it was stultified. Those who had the will to carry it out did not possess the power to do so, and those having the power lacked the will. The truth is that Chinese leadership is split from top to bottom into three sections.

"The most powerful faction, which is led by Chiang Kai-shek, is quite obviously opposed to active military resistance to Japan. Such a policy entails grave embarrassment to their personal interests and the abandonment of the programme of suppression of internal rebellion on which Chiang Kai-shek has concentrated ever since his break with the Kuomintang radicals several years ago. Having committed himself to this policy, it is absolutely impossible for him to turn round at this late hour and bespeak the co-operation of those on whom he has made relentless war, in a policy of national resistance. Manifestly, the first condition these elements would prescribe for a united front would be his resignation. There is room also for argument as to the efficacy of the policy of active armed resistance, especially while there is such widespread confusion in the political sphere and the Kuomintang is threatened by Fascism.

"This faction could not retain any sort of 'face' if it remained entirely submissive, and therefore it prefers to use its military resources to put down rebellion, and concentrate on forms of economic warfare with the ultimate hope of averting a national disaster. It is asserted, for instance, that while Wang Ching-wei is dissatisfied with the attitude of the Militarists, Mr. T. V. Soong is disgruntled because the former opposes the projected Customs blockade of Manchuria. It is futile to discuss whether the economic or the military method of resistance is most likely in the end to vindicate China's case. A resolute policy obviously makes the fullest possible use of both. So far the reprisals instigated by the economic school have been more harmful to China than to anybody else, and most irritating to neutral interests, whether it be the Postal blockade or the further increase of the tariff.

"The

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 Department of State letter, August 10, 1972
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and desire.

The resignation was a veritable bombshell. It was followed immediately, according to press reports, by a demand on the part of the Young Marshal of a

large

"The second faction, led by Mr. Wang Ching-wei, relies on the League and the processes of diplomacy to isolate Japan, and favours active measures of resistance by the Military, but is completely powerless to command the obedience of the armies. Though some of the latter might prefer, like the 19th Route Army in Shanghai and the Volunteers in Manchuria, to take up Japan's challenge, they are hopelessly handicapped by the attitude assumed by the Generalissimo, the veiled civil war which is still going on, and the manoeuvres in which Chiang Kai-shek is indulging in order to obliterate the Kuomintang and resume his Dictatorship unhampered by politicians with tutorial or democratic complexes. This faction has made the profound mistake of trying to reconcile a policy of active resistance to Japan with a policy of putting down domestic discontent by force. China cannot possibly fight on two fronts: devote the major part of her armed forces, both Government and anti-Government, to the solution of the internal cleavages, and at the same time assume a bold front toward Japan. This faction has inevitably fallen between two stools.

"The third faction would undoubtedly put an end to all further efforts to achieve complete unification by force. It would, on the contrary, emulate the methods so successfully employed by the new Shah of Persia, Riza Khan, in regard to the Bakhtiari problem. It would refrain from arrogating to itself the divine right to rule, to put down all opposition by force, and to regard those differing from it on internal--and foreign--policies as greater enemies than the invaders of Chinese territory. It would, on the contrary, invite the leaders of these forces, only a small fraction of which are in any real sense Communist, to share in the responsibility of government, and by thus creating a united front, be the better able to discharge the capital responsibility of every nation, namely, the defence of its own integrity. In the end, of course, the latter faction will emerge triumphant. There is no other possible way out of the crisis save the subjugation of the whole country. The inexorable alternatives before China today are salvation and nationhood through her own efforts, or the termination of chaos and confusion by Japan.

"It is rather hard to see why it is that the Young Marshal is made to scapegoat in this present crisis. The position he has taken all along is that he is the military subordinate of the Generalissimo, and as such

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large sum from the Central Government in anticipation
 of further clashes with Japanese troops in Jehol

Province

takes his orders from him. Some time ago, stung by certain pointed questions that were asked him in an interview, he even ascribed the non-resistance in Manchuria to the orders of the Generalissimo. Nobody knows better than Mr. Wang Ching-wei whether this is or is not true. Indeed, in a recent statement, following his return from the visit to Peiping, he admitted that when he conferred with Chang Hsueh-liang regarding concrete measures in pursuance of the policy of active resistance, the latter said quite plainly that in all military issues he must consult Chiang Kai-shek before taking action. If there is a real difference of view on this issue of resistance--and beyond doubt there is--this difference is primarily between Mr. Wang Ching-wei and his school, on the one hand, and the Chiang Kai-shek-Song faction on the other.

Why was it considered impolitic to attack the real head of the passive policy? We may think what we like as to the possibility of any effective resistance being put up by the former Mukden troops now inside the Wall. But the attitude of the Young Marshal as a military official is correct. The duty of the Government is first to resolve its own differences, to establish definitely where authority really lies whether with the Executive Yuan or with the Commander-in-Chief of the forces, and, this having been done, to ensure that the orders of the Government are obeyed, by the head of armies more than anybody. The truth is that Chiang Kai-shek and the Kuomintang leaders in the Government are at loggerheads. They do not see eye to eye on the issues of national policy. They are, moreover, approaching a bitter struggle in regard to political power, with which Mr. Wang's resignation is very closely related. At present, as a result of the compromise negotiated some months ago, the nominal authority of the Central Government is entrusted to the "Premier". But he has the responsibility without the actual power. It is an anomalous position on which we have dilated more than once in the past. The Generalissimo relinquished the nominal and legal power only to retain it in actuality by virtue of his control of the armies. Here is the real seat of trouble, and before provincial officials and militarists can be held responsible for the present paralysis, the Government must itself determine who is the real master. No doubt Mr. Wang Ching-wei is reluctant at this critical stage to expose the true sources of the evils in the Government and challenge a conflict with Chiang Kai-shek, out of which the Kuomintang would emerge very much the worse for wear. But the truth

ought

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Province⁽⁴⁾ and, on August 7, by Chang Hsueh-liang's submission to Nanking of a request to be relieved of his political and military posts. He gave a characteristic Chinese reason that he had become useless in his present position, but defended himself in interviews with the press against^{the} accusation by Mr. Wang Ching-wei that the military authorities of North China had diverted funds remitted to them for defence purposes⁽⁵⁾

and

ought to be faced at all costs, and it is merely evading the issue to make the Young Marshal the scapegoat."

4. Asiatic from Nanking, August 7: "According to the official telegrams published this morning by the Executive Yuan of the National Government, Marshal Chang Hsueh-liang demands altogether the huge sum of \$10,000,000 from the central government ministries in anticipation of Sino-Japanese armed clashes in Jehol, Peiping and Tientsin shortly. The ten million dollars are to be supplied to the northern leaders by: Ministry of Finance \$5,000,000 out of which \$2,000,000 is to be remitted at once, \$3,000,000 from the Executive Yuan; and \$2,000,000 from the Ministry of Railways.

"In reply, Mr. Wang Ching-wei strongly criticized the policy of the Young Marshal in giving up Mukden and Chinchow to the Japanese invaders last year without the slightest resistance and now, prior to taking any military action against the Japanese, who are being encouraged to attack Jehol and threaten Peiping and Tientsin, immediately after the publication of the joint declaration of the northern leaders in the papers, the Young Marshal has made demands for such huge sums of money, which the central government is not in a position to comply with. He was, therefore, forced to resign his post and request General Chiang Kai-shek to return to Nanking from Hankow to assume control of the administration at once."

5. PEIPING CHRONICLE, August 9: "Marshal Chang Hsueh-liang's first telegram to the Central Government, after dwelling on his unfitness for high command, declares that his abilities are not equal to his ambitions for fostering the welfare of the country. The

telegram

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and stated "If Mr. Wang Ching-wei wishes me to resign he can tell me so plainly without making statements remote from the facts." He was also reported to have

stated

telegram proceeds: 'Unable to find the proper way to carry out my duties, I have become useless in my position, and I am afraid that the longer I remain in office the more difficult the affairs of the nation will become. Therefore I ask you to relieve me of my post as Commissioner of Pacification of the Peking area and choose a suitable successor.'

"Marshal Chang Hsueh-liang, in his telegram to Mr. Wang Ching-wei, while expressing regret for causing the present worry, claims that there is something to be said in his favour. National defence, points out the Young Marshal, requires money, and it was within the scope of his official duties to appeal for adequate funds for this purpose, but needless to say he would not have made any appeal had he known that the Central Government was in difficulty.

"Mr. Wang Ching-wei's reference to a request for \$5,000,000 and an advance of \$2,000,000 is a two months old story, declares Marshal Chang Hsueh-liang in his telegram. Coming to recent dates, he explains that Jehol asked him to request the Central Government for \$5,000,000 for the purpose of national defence. The matter was submitted to the Peiping Political Council which passed a resolution to appeal to the Central Government for the funds on behalf of Jehol. The request was not made by Marshal Chang Hsueh-liang himself, who asserts that he never did demand \$5,000,000 from the Executive Yuan.

"Marshal Chang Hsueh-liang in his telegram dismisses Mr. Wang Ching-wei's charges in respect of the railway funds as being a matter of borrowing from the Peking-Mukden Railway for which the Ministry of Railways had merely to make proper entries in the accounts, Mr. T. V. Soong having given him an assurance that both he and Mr. Wang Ching-wei appreciated the Young Marshal's difficulties and approved of the arrangement in respect of the borrowed funds.

"Marshal Chang Hsueh-liang's telegram to Mr. Wang Ching-wei proceeds: 'Responsible for defending the territory under my control, I am obeying the will of the Central Government now as before. If you feel that my remaining in office will upset the internal as well as the diplomatic affairs of the country, let me know and I shall instantly resign without hesitation. However should you resign your post on my account, this

will

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stated in one message to Mr. Wang that he was prepared to meet the latter's wishes and resign but that he was responsible for the peace and order of North China and could not drop his responsibilities until a successor had been appointed. Developments in the situation were summarized by the PEIPING CHRONICLE in its issue of August 14 as follows:

"The next move came from General Chiang Kai-shek, who on the 9th threatened himself to resign if Mr. Wang persisted in his resignation, but who also sent a brief but emphatic telegram to General Ho Ying-chin, Minister of War, urging him to proceed to Shanghai to endeavour to persuade Mr. Wang to re-consider his resignation. On the 10th General Chiang telegraphed to Mr. Wang urging him to proceed to Hankow to discuss matters personally with General Chiang. All persuasions proving unavailing, the entire Cabinet resigned on the 9th, but on the 11th, Marshal Chang having in the meantime tendered his resignation, the Standing Committee of the Central Executive Committee met. At this meeting no definite steps with regard to any of the resignations were taken, as the Government was reluctant to move precipitately. The same day General Chiang sent another long telegram to Mr. Wang urging him to reconsider, but apparently without effect. Late in the night of the 10th, Marshal Chang addressed to the authorities in Nanking not only his resignation, but a defence of his conduct of affairs, and especially of his administration of military finances. Since then he has held himself

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will deepen my sense of guilt for causing the anarchical state in the Central Government, which is the last thing I desire.

"I have just telegraphed to the Central Government to dismiss me and relieve me of all responsibilities, at the same time choosing a suitable person to succeed me in my post. Considering that you are a pillar of the nation, foundation stone of national affairs, a leader looked up to by the rank and file as a man who has saved the nation, you should not desert the capital and leave the national troubles unsolved. I ask you to resume office immediately so that the affairs of the nation may not be disrupted. Please do not hesitate a moment to enhance my guilt."

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at the disposal of his military superior, General Chiang Kai-shek, but has apparently hardened in his intention to resign, and states himself to be merely awaiting the appointment of a successor and the effecting of transfer arrangements."

Thus, by a cataclysmic series of events, the Japanese found their desires with respect to the elimination of the Young Marshal at the point of realization, and the Chinese found themselves virtually without a Government. For months the Japanese militarists have demanded the retirement of Chang Hsueh-liang because of his alleged responsibility for the extramural activities of the so-called volunteers; by a quirk of fate his downfall has been brought about by Wang Ching-wei on the grounds of his failure to resist the invaders.

Discussion concerning the reconstitution of the Central Government is not, of course, within the scope of this report; North China, it was reported after a few days of speculation, will probably be given into the control of a committee rather than a single successor of the Young Marshal under a plan evolved by Chiang Kai-shek who, it is said, may himself take the Chairmanship, the other members to be prominent northern military figures.⁽⁶⁾ The local committee, according

6. Reuter from Peiping, August 15: "The following are mentioned in the newspapers as being likely candidates: General Han Fu-ch'ang, Chairman of Shantung; General T'ang Yu-lin Chairman of Jehol; General Shih Yu-san, former Kuomintang commander; General Chang Ch'uan, representative of General Chiang Kai-shek here; General Yu Hsueh-chung, Garrison Commander of the Peiping and Tientsin area; General Wan Fu-lin, military adviser attached to the Young Marshal's Headquarters; General

Jung

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according to the press, will be a branch of the Central Military Commission at Nanking and will perform its executive duties directly under that organ.

The substitution of a committee including representatives of various elements appears to have every prospect of effecting a peaceful change of authority locally, but any discussion of the discernable future, of prospects of peace or civil war, of possibilities (strongly envisaged by many Chinese circles in Tientsin) that the Japanese despite the retirement of the Young Marshal may take over the Peiping-Shanhaikuan section of the railway after the departure of the League Commission, should be prefaced by a review of considerations in connection with the question of Jehol and the Ishimoto incident which have meantime arisen.

The dubious nature of the Ishimoto incident⁽⁷⁾ was brought more sharply into relief early in August.

On

Jung Chen, member of the Marshal's Staff; General Wang Shu-ch'ang, Chairman of Hopei; General Liu Yi-fei, Chairman of Shensi; General Chiang Pe-ch'ang, the Generalissimo's personal representative; General Shang Chen, Chairman of Shansi; General Sung Che-yuan and General P'ang Ping-hsun, former Kuomintang commanders; General Sun Tien-ying, Southern Hopei commander; and General Hsu Yung-ch'ang and General Fu Tso-yi, both Shansi commanders." (Nominations of certain of these names has been corrected by the Consulate General).

7. Vide Consulate General's Monthly Political Review for July which stated that whatever the truth concerning Ishimoto one felt an intellectual temptation to consider the Chaoyang bombing in the light of the Japanese press reports which preceded, accompanied and followed it. It quoted an editorial to the effect that the reported capture of this man had actually less

relevancy

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On August 1 and 2 the local foreign press carried reports from Tokyo to the effect that although the "officer in charge of Marshal Cheng Hsueh-liang's Volunteers in Jehol" was to have delivered Mr. Ishimoto to the Japanese on July 29, he "changed his mind and decided to refuse to deliver him unless a ransom is paid", and that the Japanese Command had therefore decided to take forcible measures and on July 30 bombed two villages on the Jehol-Liaoning border. This latter despatch (Reuter from Tokyo, July 31) went on to say that "because a large force of volunteers is gathering in the neighborhood of Peiping, it is intimated that the Japanese air raids may be extended further into Jehol. The Japanese blame the volunteers, not General T'ang Yu-lin's regulars, for the capture of Mr. Ishimoto." Further indications in the press that the Japanese were coming to accept the view that Ishimoto was a victim of "bandits" were simultaneous with propaganda reiterating previous impugnations of T'ang's loyalty. (S)

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relevancy to the prearranged plan of campaign than the murder of Captain Nakamura "who went into Inner Mongolia for much the same purpose, no doubt, as that which caused the Kwantung Commander to send the kidnapped officer into T'ang Yu-lin's territory."

8. Reuter from Tokyo, July 30: "Regarding the fundamental troubles in this area the military authorities here state that previously Manchuria was a good market for Jehol opium, but this market had been closed since last September. However, recently Manchukuo has negotiated and announced that they were ready to import opium from Jehol whereupon the Chinese authorities feared that Jehol might become part of Manchukuo territory and efforts were made to alienate T'ang from Manchukuo. However, it is stated that now the Japanese do not know whether T'ang will fight them or Peiping as reports are reaching them which indicate that both are possibilities."

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An outbreak of heavy fighting at Suichung between Japanese troops and volunteers was reported almost simultaneously and two Japanese armoured trains were said to be lying in readiness at Peiping. Japanese threats were countered by a report from Shanghai that Chiang Kai-shek had decided to despatch six divisions to the North to assist the volunteers and by accusations on the part of the Chinese; the Chinese press on August 3 cited the Minister of Foreign Affairs as stating that the Japanese had long coveted Jehol and had not exploited the Ishimoto affair to its ultimate conclusion because their preparations were as yet incomplete. (S) Sudden Sino-Japanese hostilities at Newchwang subsequently cast a more lurid glare over the North China scene and on August 5 the Tokyo War Office was reported as having made a direct verbal attack

6. Reuter from Peiping, August 8: "The Chinese press this morning gives prominence to an interview which Dr. Lo Wen-han, the Minister of Foreign Affairs gave to Chinese newspapermen at Hanking yesterday in connection with the Jehol situation.

"Dr. Lo is quoted as saying that although the situation in Jehol is outwardly calm, it is liable to flare up at any moment. Japan had long coveted Jehol, Dr. Lo further said, and this might be evidenced by the fact that Japanese maps always included Jehol as their sphere of influence and that they always called the Three Eastern Provinces the Four Eastern Provinces.

"Referring to the Ishimoto incident, Dr. Lo said that although Japan tried to exploit it at one time, the excitement had subsided since then, apparently owing to the fact that the Japanese had not yet completed their preparations. He believed that when the time was ripe, Japan would not be satisfied with

confining

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attack against the Young Marshal, virtually fixing him with complete responsibility for the organization and activities of the extramural volunteers. (10) This was followed by another pronouncement (also by the Japanese Ministry of War) that bandit activities had broken out in the South Manchurian Railway Zone, that these "may be regarded as part of Chang Hsueh-liang's plan to recover the lost territory by instigating the Volunteer Forces to create disturbances in Manchukuo" and that "these anti-Manchukuo and anti-Japanese operations will naturally aggravate the relations between Jehol and Manchukuo and bring grave consequences."

It

confining their attentions to Jehol only. He hoped that the people would make adequate preparations so that the nation might not be caught unawares when the crisis came.

"Dr. Lo further said that while the Government was not optimistic regarding the Manchurian question, it was not pessimistic either. It was determined to tackle the problem with firmness and perseverance. Ever since the close of the Russo-Japanese War, Japan had pushed her way in the Three Eastern Provinces. On the other hand, China had failed to take measures to cope with the Japanese advance during the last 30 years, and when the crisis came, many were so carried away by their feelings that they would like to stake everything on a desperate fight."

10. Nippon-Dempe from Tokyo, August 3: "The Military Authorities issued the following verbal statement in the afternoon yesterday regarding the activities of bandits along the South Manchurian Railway:

"The raging of bandits along the South Manchurian Railway is attributed to the operation of the Volunteer Corps by Chang Hsueh-liang in order to create disturbances in Manchukuo with the object to recover the lost territory.

"According to a confirmed despatch Chang Hsueh-liang established an organ, whose name is the North Eastern People's anti-Japanese National Salvation Society, in Peiping. Moreover, he divided the Three Eastern Provinces into five military sections, and disposed the Volunteer Corps for the purpose to start operations by taking advantage of the growth of knolling.

"About five brigades are concentrated on the

borders

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It was added that "the subtle and crafty methods of Chang Hsueh-liang are nothing but to dig his own tomb." (11) Reuter further reported from Tokyo on August 5th that according to the ASAHI 500 of the

Young

"borders of Jehol and Hopei Provinces with the aim to threaten T'ang Yu-lin, thereby compelling him to sever relations with Manchukuo. Owing to the threatening attitude of Chang Hsueh-liang, T'ang Yu-lin is maintaining a hostile attitude against the Japanese troops. Consequently it is undisputable that Chang Hsueh-liang's insidious and wicked anti-Japanese and Manchukuo measures are becoming open daily.

"This method in opposing Japan and Manchukuo was pursued by establishing headquarters in the district of Liaohei last Autumn in order to menace the S.M.R.

"Without realizing his failure and without taking into consideration that serious complications would arise Chang Hsueh-liang again resorted to this method, consequently it is just as same as he is digging his own grave."

11. Reuter from Tokyo, August 5: "According to reliable reports, a large number of infantry of the Defence Army, and cavalry of the National Salvation forces, and mounted Volunteer Corps, have been despatched to the North-Eastern Provinces, which have been divided into five big Military Districts. Bandit-soldiers are attempting to start simultaneous action at different places, taking advantage of the thick hawling.

"Moreover, troops of five Brigades have been massed on the provincial border of Jehol and Hopei, with the object of intimidating T'ang Yu-lin. Moreover, Chang's Volunteer Corps adopted a provocative attitude towards the Japanese guards.

"It is also reported that 2,000 Volunteers have been despatched under the command of Wan-I-teh to Lanchow and to Cheengtah in Jehol."

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Young Marshal's troops had arrived at Chaoyang and that he had ordered 150,000 volunteers to concentrate there. Ishimoto was stated by the Japanese press services to be then in the neighborhood of Chaoyang where his captors, now bandits, moved him from place to place, meanwhile demanding of the Japanese arms and ammunition as a condition to his release and of the Jehol authorities to be incorporated into the provincial forces. Kuo Wen reported the Chinese press as considering the Japanese statements of Chang's responsibility for the volunteer activities as childish.

On the whole August 5th was a gala day for the eager spokesmen of both countries; the Japanese gave it particular distinction through their press services by making their most glittering flight into fiction. Hengo reported that since "the majority of influential persons and merchants in Manchuria hail from regions inside the Luanho Valley . . . conversations were carried on between them and influential citizens in Manchu State . . . to incorporate the territory east of the Luanho into Manchu State" and that "the entire people in the east of the River will declare independence in a few days and petition the Government of Manchu State for amalgamation". (12)

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12. This report called forth, under the heading of "Famult and Shouting Precede the Captains", the following remarks from the editor of the PEKING AND TIENTSIN TIMES of August 8 in which he also makes interesting comment on the Ishimoto incident, the

significant

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On August 6th Mr. Ishimoto was given further attention. Rengo reported from Chinchow that "negotiations for rescuing Mr. Ishimoto being hopeless to

reach

significant trend of Japanese propaganda, and the general situation in the north: "Rengo tells us that negotiations are going on in Manchukuo with the benevolent object of satisfying the ardent desire of the people residing in the territory between the Lan River and Shanhaikuan to be incorporated into the Manchukuo paradise. The mode of procedure is unique in the history of movements for self-determination. It is stated that the majority of influential persons and merchants in Manchuria hail from the Lan valley region--which is somewhat surprising both as a statement and as an admission. Some of these have communed with other influential citizens of Manchukuo hailing from other localities with the object of incorporating the Lan region into Manchu State. A concrete plan was devised and preparations made to carry it out. In accordance therewith, the "entire people" in this region will proclaim their independence in a few days, and formally request that they be taken over. The Manchukuo Government will, we are assured, gladly give its consent. That is quite natural. It has so much trouble trying to maintain order and to keep the railways running in Manchuria that it would be a welcome relief to take over a piece of territory where absolute order prevails and where it will be able to enforce, without the delays occasioned by events in Manchuria, the principles of reconstruction on which the paradise-on-earth is to be based.

"It is added, in the same despatch, that a couple of designing warlords are ready to pitchfork the Young Marshal out of office in Peiping. Furthermore, it has been discovered that the Volunteers who captured Mr. Ishimoto are not as respectable as they were thought to be. They are not patriots insisting on making trouble for invaders with the object of regaining their 'lost territory.' Nor are they in the second-ranking category to which the far-spreading and mysteriously potent forces of Chang Hsueh-liang belong. They are simply bandits who are seeking either money or official preferment as a condition for the return of their captive. This disclosure makes the whole episode more dubious than ever. But that need not be gone into. After all, mere pretexts amount to nothing. It would be better if there were fewer. The real point is that the War Office in Tokyo has announced its determination to conduct the operations for the rescue of the captive with its own forces.

"There has been a good deal more shouting than is usual in preparing the public mind for eventualities.

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reach a satisfactory end, the Military Authorities here are considering ways and means of getting him

free

Day after day there have been threats of further armed action by the Japanese troops. No doubt the object was to persuade the various peace-loving elements in the North, anxious to avoid trouble north of the Yellow River, to overthrow the Young Marshal and establish another virtually independent State, eager to keep peace with Manchukuo. Local forces hitherto have found it impossible to exploit the situation. Now that the matter has become an issue of Central Government politics, a change may come over the scene. While the Japanese attribute everything unpleasant that has happened in the S.M.R. Zone--and indeed all over Manchuria--to the influence and instigation of Chang Hsueh-liang, the head of the Executive Yuan in Nanking, Mr. Wang Ching-wei, has demonstratively resigned and demanded the resignation of the Young Marshal, on the ground that he is still maintaining a passive policy. He is therefore assailed from front and rear, and his position is now far more difficult than it has even been.

"Of course, it is incredible that his influence is all-pervading among the volunteers and so-called bandits in Manchuria. All this propaganda is, if we are not much mistaken, a huge smoke-screen. It is difficult to please some people. The Mukden armies offered practically no resistance to the Army of Occupation, and ran away with the utmost discretion. Whether this aspect of co-operation was welcome or unwelcome cannot easily be determined. It did make things a little more difficult abroad. And the only overt act officially committed was the recent despatch of troops, not actually into Jehol, but to the vicinity of the border. Whether this had as much relation to a passion for the recovery of the "lost territory" as to a fear for the loss of revenue at present derived from Jehol's produce is a matter it would be profitless to discuss.

"But surely the Japanese Army did not imagine that it would have a different experience in Manchuria from that which it suffered at the hands of the local population in Eastern Siberia! There is a reason--a multitude of reasons in fact--why it is that the interior of China, which was relatively peaceful and orderly three years ago, has become involved in a tremendous upheaval

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free by their own efforts." The result, it was stated, was being watched with grave concern and a Reuter despatch from Shanghai quoted the Japanese Military as stating that they were contemplating "effective measures for his release". On August 11 Reuter reported from

Peiping

as serious as that during the Taiping rebellion. Events can happen in this country as they have always happened in others. Nothing was more likely in Manchuria, after the occupation by the Japanese Army, than the transformation of the vigorous farming population there, as in China Proper, into armed forces. There is widespread rebellion in China against the Kuomintang and the ruling Militarists. A few years ago these bodies of men, mostly ex-soldiers and farmers, were called by various fanciful Chinese names, such as Red Spears, Heavenly Gate Society, etc. They were in revolt because conditions became unendurable. The volunteers in Manchuria are not taking their lives in their hands and attacking the Japanese at all vulnerable points for the beautiful eyes of anybody but themselves. They are, like their fellow-rebels in China, discontented men. Arabs and Chinese Moors and Britons, Turks and Croats, Filipinos and any other politically conscious people have one thing above all else in common in this narrowed world: they prefer to be badly governed by their own kind than to be governed most industriously and efficiently by others. And even when they are badly governed by their own kind they sooner or later make a fuss about it.

"The Tokyo War Office says that the Young Marshal plans to recover his 'lost territory.' Such personal preparations as rumour speaks of, indicate that he is not by any means so optimistic. Probably he regards his future as involving more likelihood of pleasant exile abroad than an early return to his old home in Mukden. If one penetrates the smokescreen, the question resolves itself into a simple issue. Will Tokio be satisfied if a semi-independent State guaranteed to be of good behaviour is established north of the Yellow River, or does the plan involve the occupation of that region? If the Japanese forces evacuated Manchukuo today, that State would collapse like a house of cards tomorrow. And without adequate military support from Japan a semi-independent State composed of the fleetest and jettiest of the revolutionary struggle could not exist in North China. Manchuria, we are told, is the life-line of

Japan

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Peiping that according to an official telegram received there from General T'ang Yu-lin, a Japanese plane flew over the town of Kailu (west of Tungliac and northeast of Ch'engtehfu) on August 6th, dropped bombs and opened fire with machine guns, but caused no damage to life or property. According to a United Press despatch from Chinchow of August 13 (published in the SHANGHAI EVENING POST AND MERCURY) the Japanese had announced that drastic steps would be taken to end Ishimoto's captivity which already had run twenty seven days.

Thus the Ishimoto incident still remains a weapon in Japanese hands. This fact, together with the general trend of Japanese propaganda which lacks any evidence that the Japanese Military have been appeased by the downfall of the Young Marshal, gives some support to a general feeling here in Chinese circles that eventually the Japanese armies will indulge in an intramural adventure with a view to occupying at least the Peiping-Shanhaikuan section of the railway. Both foreign and Chinese opinion tends to accept as probable that any plans in this respect contemplated by the Japanese will not materialize, barring some unforeseen and vital circumstances, until the departure of the Far Eastern Commission of Enquiry of the League of

Nations

Japan. Jehol has become the life-line of Manchuria, and presumably North China is the life-line of Jehol. How much deeper the life-line goes we cannot yet tell. The problem, as we insisted many months ago when the disorders occurred in Tientsin is not whether, but when, intervention will come within the Wall. In this

connection

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Nations in September. Present indications are that the internal political convolutions in Hopei Province will not furnish at present an excuse for local intervention and that any change in authority will be peaceful and unmarked by tension or anxiety. I am informed by reliable Chinese sources that the Young Marshal is adamant in his determination to hold to his resignation. He is said to be surrounded by adherents who, fearful of their rice cups or embittered against what may be further increase of actual power in the North by Nanking, continue to harass him with pleas that he retain his offices and obstruct those with other views from seeing him. And if these reports are true he is indeed harassed; my informants--and I believe them to have some authentic knowledge of the facts--state that Chang Hsueh-liang is rarely accessible by day and that only at night, ridden into alertness by drugs, does he seem to acquire the aspects of his former self and take hold of the tangled threads of his offices to carry on his duties pending appointment of his successors.

One is tempted to pause here and compare with

the

connection it is quite possible, in view of the crisis in the Central Government owing to Wang Ching-wei's resignation, that events will first bear a domestic complexion. But though changes may be precipitated in Peiping and elsewhere in this province at an early date, and Japan may hold her hand while making further efforts to put down the risings and raids in Manchuria, sooner or later she will act in North China.

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the athletic young officer of a few years ago the present picture of Chang Hsueh-liang. He has in seven years passed through many vicissitudes and many tragedies; he has borne many burdens. The quaint Japanese propagandists who recently compared China's diplomatic methods to the devices of a drug addict who appeals to a third party to obtain for him the surcease to his desires which he can not honestly acquire himself, might also trace in the Young Marshal's career from youthful glory to his abdication as a drug addict, a corollary to the history of the Kuomintang; born in power and now being dissipated in corruption, but the present circumstances can not destroy what has been, and what still is, admirable in him. His friends can claim that he stands out as possibly the most sincerely patriotic figure in Chinese politics today. They can say that his obedience to Chiang Kai-shek and compliance with his policy of non-resistance was largely the result of a devotion to the interests of his country. They can contend that his retirement was actuated as much by a sense of duty as by the realization that if he did not eliminate himself from the North China scene the Japanese would undertake that task for him.

To return to the growing concern at the possibilities of a Japanese intramural adventure, there is considerable reason to support the view that while

Wang

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Wang Ching-wei has accomplished in forcing the retirement of Chang Hsueh-liang what the Japanese have long desired, the unexpected circumstances which impelled it have not greatly improved matters for them. If Chinese press reports contain any germ of truth, the volunteers in Manchuria are taxing to the utmost the Japanese military resources at many points. The northern generals who have expressed dissatisfaction with Chang's retirement have cast a more belligerent glare over the scene. Chiang Yu-lin, apparently, does not intend to wear a Manchukuo lining in his coat; and the Japanese must have known, long before their recent military gestures in his province, that the harsh and mountainous terrain of Jehol which is of a naturally defensive character, will not lend itself to easy invasion. How much resistance the Japanese may have envisaged in the pronouncement of the Peiping Political Council at the end of July (13) is a matter for speculation. The conference was essentially a test of loyalty and its declaration that the members would "unite with one heart in devising ways to defend the

13. Vice Consul General's Monthly Political Review for July, pp. 18 et seq. The declaration of policy, as published in the press August 1st, professed an interest in improving the internal administration as essential to resistance against aggression, affirmed the loyalty of all to the central government and pledged unity against the common enemy.

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the country and stand by one another through thick and thin" was after all little more than an agreement not to disagree--a policy that is almost purely negative. But the Japanese may see, or desire to see, a growing determination to battle in this declaration. I venture the opinion that the weight in the balance would seem to depend upon other considerations connected with the resignation of Wang Ching-wei and the Young Marshal. The latter is now, for all practical purposes out of the way of the Japanese⁽¹⁴⁾ but his retirement has removed from North China the outstanding exponent of the policy of non-resistance. One can not pretend, at so great a distance from Nanking and lacking sources of information as to the trend of the cross currents in the capital, to offer much intelligent comment upon the possibilities that may be foreseen in the general reconstitution of the Government. But it seems patently clear that the reason which Mr. Wang Ching-wei gave for his resignation places Chiang Kai-shek in jeopardy politically if he continues in his policy of non-resistance. He must decide whether to discontinue that policy and appease not only Wang's faction but a growing popular

14. As the closing paragraphs of this despatch are written it is reported that the members of the Committee which is to succeed Chang Hsueh-liang have been named by the Central Executive Committee at Nanking to include General Wang Shu-ch'ang (Chairman of Hopei), General Fu Hsiang-shan (former Chairman of Heilungkiang), General Tu Hsiang-chung (Garrison Commander of the Peiping-Tientsin Area), General Shen Chen (former Chairman of Hopei and Shanai), General Chang Tso-hsiang (uncle to the Young Marshal and former Chairman of Kirin), General Chiang Mo-ch'ang (representative of Chiang Kai-shek) and General Jung Chen (Chief of Staff to Chang Hsueh-liang).

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popular sentiment by some show of resisting the Japanese, or else be prepared to face a political upheaval that may bring him down in the general ruin which might result from adherence to his present tenets. The recent statement of Feng Yu-hsiang, although he seems at present without power beyond words, is not to be disregarded as an expression of general public opinion: "From non-resistance the Chinese authorities have turned to a policy of talk-resistance, and then to disgraceful surrender."

Chiang Kai-shek has based his policy upon the belief that before foreign aggression can be adequately dealt with the communist bandits and other dissenting internal elements must be suppressed. There is logic to this, but it is also an expression of his long-standing rule of life, his rise to power over the bodies of any and all who oppose him, the materialization of a theory of government not by consent but by force. Now China finds herself without a Government⁽¹⁵⁾ and it may

be

15. The following is an excerpt from an article by H.G.W. Woodhead, repeated in the Peking and Tientsin Times of August 15: "Today China is to all intents and purposes without a Government. All of the Ministers of the Executive Yuan, which corresponds to the Cabinet in other countries, have submitted their resignations. They have adopted this course, so they assert, out of loyalty to Mr. Wang Ching-wei, who as President of the Executive Yuan holds a position similar to that of a Premier in a constitutional regime. And Mr. Wang has resigned, so he maintains, because of Marshal Chang Hsueh-liang's dereliction of duty. He insists that the Young Marshal must retire. And he has thus succeeded in bringing about what the Japanese Militarists have been demanding for months past. Only they

choose

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be necessary, if a new Government is to be reconstituted in any lasting form, that Chiang Kai-shek, a decisive military figure who casts always a far-reaching political shadow, may be forced to make an about face. If he does, any show of preparation in this district which might menace the Japanese in Manchuria will probably call for definite action on their part. Jehol is already a menace to them; it has always been considered an appendage of the Three Eastern Provinces and it borders now upon their sphere of activity. The massing of Chinese troops

chose a different pretext--not that Chang Hsueh-liang is adopting a policy of non-resistance, but that he is responsible for the activities of the so-called volunteer armies which are causing them so much trouble in Manchukuo.

"On one point, therefore, Tokyo and Mr. Wang appear to be entirely in agreement, that is that Chang Hsueh-liang must go. How far they see eye to eye on other matters has yet to be revealed. It is hardly credible that the President of the Executive Yuan really desires the Northern militarists to aggravate an already critical situation by starting hostilities on a large scale, against the Japanese.

"The reconstitution of the Nanking Government is, of course, a matter of urgent importance. Pressing problems, domestic and foreign, are awaiting solution, problems which cannot possibly be dealt with except by a responsible administration. The Lytton Report, for example, is nearing completion, and is to come before the League of Nations next month, and if China is to derive any advantage therefrom her Delegate at Geneva must be able to speak with authority, and to formulate policies which have the backing of a National Government.

"It remains to be seen who will take the lead in solving the present political crisis. General Chiang Kai-shek, though at present displaying an attitude of studied aloofness, may once more find it necessary to take the lead. And if so, it will be interesting to see on which of the Kuomintang cliques he relies for support in organizing the new administration.

"The present crisis will be watched with considerable anxiety abroad. It will be difficult for the average European or American to understand how the ship of State can be left rudderless in its present precarious position. To the occidental mind this is no time for personal feuds or recriminations.

"The

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troops in Jehol or the concentration of Chinese forces at Lenchow or other points near Shanhaikuan would be a threat of which they could not, probably, refuse to take cognizance even if they should wish to do so. Lacking any knowledge of what plans the Japanese may secretly harbor for the future it would seem, therefore, that the question of their intervention in North China proper may depend upon the denouement of the present Chinese political situation.

As this despatch closes, it is reported that Yu Tsush-chung is to be appointed Chairman of Hopei, exchanging his present post with the incumbent Chairman, General Wang Shu-sh'ang, and that Sung Che-yuan will be Chairman of the Province of Chahar. Thus the majority of the troops of the Young Marshal will under the command of the new Chairman of this Province (Hopei) and part of the northern "frontier" will be guarded by former Kuomintang forces said to number 70,000 and to be well disciplined and equipped.

Respectfully yours,

George Atcheson, Jr.,
 American Consul.

800
 Gaiw

"The whole future of China may depend upon what happens during the next two or three months. And the most elementary patriotism would seem to require willingness on the part of representative Chinese politicians and militarists to assume the responsibilities of leadership at a time when so much is at stake.

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Original and one copy to Legation.
In quintuplicate to the Department.
Copies to Consulates-General at
Nanking, Shanghai, Mukden and Harbin.
Copies to Consulates at Dairen, Tainan,
Tsingtao and Chefoo.

0245

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 893.00/12139 FOR Despatch # 8464.

FROM Shanghai (Cunningham) DATED August 20, 1932.
TO NAME 1-1127 ***

REGARDING:

Editorial appearing in THE CHINA PRESS which states that if Tang Yu-lin, the head of the Jehol Government, also resigns it may cause the Japanese to delay somewhat their contemplated occupation of the Tientsin-Peiping district, inasmuch as Japanese occupation of Jehol would mean actual Japanese domination of all China north of the Yellow River.

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793.94/8546

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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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793.94/6543

5549

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

No. 8464

AMERICAN CONSUL GENERAL OFFICE.

American Consulate General,
Shanghai, China, August 20, 1932.

Subject: Resignation of Chang Hsueh-liang.

THE HONORABLE

THE SECRETARY OF STATE,
WASHINGTON.

Sir:

In connection with the reported resignation of
Marshal Chang Hsueh-liang I have the honor to transmit
1/ herewith an editorial from THE CHINA PRESS (American
incorporated, Chinese owned) of August 15, 1932, en-
titled "Responsibility for Manchuria."

The editor discusses the possible effect of
Marshal Chang's resignation if actually carried out,
and states that if Tang Fu-lin, the head of the Jehol
Government, also resigns it may cause the Japanese to
delay somewhat their contemplated occupation of the
Tientsin-Peiping district, inasmuch as Japanese occupation
of Jehol would mean actual Japanese domination of all
China north of the Yellow River. He then goes on to
discuss the responsibility for China's loss of Manchuria
and states that this responsibility cannot be laid to
any one individual; that in September last Chang was
in Peiping at the order of Chiang Kai-shek to protect
the Central Government against the Northern Military

Coalition

725
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By Milton D. Gustoff NARS, Date 12-18-75

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Coalition which include Wang Ching-wei and that the latter's animosity toward Chang probably dates back to the time when Marshal Chang moved on Peiping and thus broke up the Northern Military Coalition.

The editor also discusses the part played by Mr. Eugene Chen, emissary of the Cantonese Government in Tokyo in 1931, and states that it is unquestionable that the Japanese were encouraged in their move on Manchuria by the fact that China was a divided nation. He believes that the Japanese are now scheming to make some sort of a deal with China in regard to Manchuria in order to offset somewhat international approbrium, but that the Chinese people have shown themselves more regardful of national interests than their leaders who have not hesitated to barter national interests for selfish gain.

Respectfully yours,

Edwin S. Cunningham,
American Consul General.

Enclosure:

1/- Editorial from THE CHINA PRESS
of August 15, 1932.

- true copy of
the signed orig.

800

In quintuplicate.

In triplicate to Location.



the cottages
the floor will
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n prisoners is
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e her turn at

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A three-hour recreation
from 6 to 9 p.m. daily, at
teach the inmates "how to
according to Miss Alicia M.
superintendent. The time
probably be spent reading,
in groups, listening to the radio
sewing.

ence it is no longer any concern
of the outside world."
The Chinese people on innum-
erable occasions in the past have
shown themselves to be more in-
telligent and regardful of national
interests than their leaders who
have not hesitated to barter nation-
al interests for selfish gain. One
therefore wonders whether this
will not be the outstanding element
in the next political upheaval in
China which now seems to be pend-
ing as a result of the present crisis!
The tendency is already apparent
in the renewal of the boycott
throughout the country, but parti-
cularly in Manchuria where the
poor peasants armed with hoes and
scythes and a few rifles are putting
up an effective fight for their na-
tional birthright—and doing so
practically without any material
assistance from their leaders!

Ice Great Enough rys Marine Chapl

By WILLIAM M. CAMP

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to carry them; that if a
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Duty Of Man

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and go into battle to fig
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will have any appreciable effe-
resignation if actually carried ou-
ever, whether Marshal Chang
It remains to be seen, how-
advisors of high and low degree-
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from Mr. Henry Pu-yi down,
was participated in by everybod
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and the adherents of Manchukuo
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Japanese. That his contemplated
for the loss of Manchuria to th
Chang has been made the "goat
would be to say that Marsh
pressive manner of stating
other and possibly more
Peiping is going to resign.
mander of the national forces
administration and now vice-com-
former head of the Manchurian
I Marshal Chang Hsueh-liang
T seems fairly certain th
AUG 13 1932
MANCHURIA
RESPONSIBILITY FOR

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

churia. If Tang Yu-lin, head of Jehol, also resigns, this may simplify somewhat the Japanese occupation of that province and its amalgamation with Manchukuo. Also, it may cause the Japanese general staff to delay somewhat their contemplated occupation of the Tientsin-Peiping district. As a matter of fact the Japanese occupation of Jehol and the garrisoning of that province with Japanese troops will make the Japanese occupation of Peiping largely unnecessary for with Japanese garrisons in complete control of the "buffer" province of Jehol it actually will mean Japanese domination of all of China north of the Yellow River.

There is no questioning the fact that the Chinese public holds Marshal Chang Hsueh-liang personally responsible for the loss of Manchuria, due to his policy of non-resistance at Mukden last September and more particularly his failure to put up a fight later on when the Japanese war-lords drove down the Peiping-Mukden railway and occupied Chinchow. Since hind-sight is always simpler than foresight, there are many who now believe that had the Young Marshal put up resistance the Japanese might not have gone so far in their over-running of Manchuria. But this is mere speculation for the occupation of Manchuria by the Imperial Japanese Army was the culmination of long-made and carefully-thought-out plans that had been in contemplation for a quarter of a century. Resistance by the troops which were in Mukden and the other provincial centers probably would not have stopped the Japanese juggernaut; however, strong Chinese resistance would have made the Japanese occupation more costly and undoubtedly would have created a better impression for China abroad.

But despite the trend of public opinion, often swayed by political propaganda, it is not correct to place sole blame on Marshal Chang for the loss of Manchuria. For while it was "his" territory, the real responsibility for the loss of Manchuria extends much further than any one individual. Marshal Chang actually was in Peiping with his best troops when the Japanese occupied Mukden on the fateful night of September 18 last. Had he been in Mukden with his troops and awake to what was going on in Tokyo, the Japanese might not have moved, but this again leads into the field of speculation.

But Marshal Chang was in Peiping for a purpose. He had moved his troops to Peiping upon the orders of General Chiang Kai-shek, the ruling power in the Central Government and the purpose was to protect the Central Government against the so-called Northern Military Coalition which was composed of Generals Yen Hsi-shan and Feng Yu-hsiang and Mr. Wang Ching-wei, the late head of the Nanking Executive Yuan. Although Mr. Wang Ching-wei later joined the Central Government and thus came into intimate association with both Generalissimo Chiang Kai-shek and the vice-commander, Marshal Chang Hsueh-liang, his animosities against the Mukden Marshal probably date back to the day when Marshal Chang Hsueh-liang moved

territory as a separate independent state. Despite the efforts of the outside world to uphold the sanctity of treaties and international morality, the Japanese warlords are undoubtedly moving toward outright annexation of the four northeastern provinces. But aware of the storm which this action is likely to create in the world, the plotters of Tokyo are now scheming to offset international opprobrium somewhat by making a private deal with China on the Manchurian question. Just what bait the Tokyo warlords are now holding out to certain of China's political leaders is not known, but the Japanese are tremendously desirous of being in a position to get up in Geneva at the meeting of the Assembly of the League and saying, "We have made a deal with China on the Manchurian question,

hence it is no longer any concern of the outside world."

The Chinese people on innumerable occasions in the past have shown themselves to be more intelligent and regardful of national interests than their leaders who have not hesitated to barter national interests for selfish gain. One therefore wonders whether this will not be the outstanding element in the next political upheaval in China which now seems to be pending as a result of the present crisis! The tendency is already apparent in the renewal of the boycott throughout the country, but particularly in Manchuria where the poor peasants armed with hoes and scythes and a few rifles are putting up an effective fight for their national birthright—and doing so practically without any material assistance from their leaders!

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But there are others, particularly foreign military observers, who believe that the Japanese would not have moved into Manchuria had the Cantonese not declared war on the Central Government in the summer of 1931. It is unnecessary to refer to the presence of Mr. Eugene Chen, emissary of the Canton government, in Tokyo to indicate that there was deep intrigue going on that did China no good. Mr. Chen has stated that his purpose in Tokyo was to explain the policies of Mr. Wang Ching-wei and the other figures in the Canton administration, but Japanese military officers have told another story about that visit. But regardless of the explanations there is no questioning that the Japanese General Staff was encouraged in its move by the fact that China was a divided nation; that Chinese nationalism had split on the rocks of domestic discord. Had China's leaders been united and in a position to present united resistance against the foreign invader, the Japanese would not have moved. It therefore is quite correct to state that Marshal Chang Hsueh-liang was not solely responsible for the Manchurian debacle—the responsibility rests on many heads!

However, it serves no useful purpose now to dig into the past unsavory record. The Japanese are in Manchuria; are on the point of adding Jehol to their new domain; and more, are making active preparations to recognize the ter-

rounding the institute, officials be-
With miles of open country sur-
inmates.
keep officials in constant touch with
time a door is opened or closed will
board in the matron's room every
system which flashes on a control
matrons and an automatic light
to be fitted for the
Each of the
between farm overseers and cottage
term of telephone communication
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move one of the
This, say the
Even the inmates
schemes of ro-
are expected to keep away unwant-
ed visitors.
Although no guards will be em-
ployed, the chance for escape will
be remote, according to officials of
the institution. An elaborate sys-
tem of telephone communication
between farm overseers and cottage
matrons and an automatic light
system which flashes on a control
board in the matron's room every
time a door is opened or closed will
keep officials in constant touch with
inmates.
With miles of open country sur-
rounding the institute, officials be-

the institution is shown at the
expected to be typical of life at
the inset. A farm scene which is
shown above. Miss Alicia Mos-
grove, superintendent, is shown in
the inset. A farm scene which is
expected to be typical of life at
the institution is shown at the
right.

Unsettled Yue Plant

No Guards
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RESPONSIBILITY FOR

MANCHURIA

AUG 15 1932

China Press
It seems fairly certain that
Marshal Chang Hsueh-liang,
former head of the Manchurian
administration and now vice-com-
mander of the national forces in
Peiping is going to resign. An-
other and possibly more ex-
pressive manner of stating it
would be to say that Marshal
Chang has been made the "goat"
for the loss of Manchuria to the
Japanese. That his contemplated
resignation following the charges
hurled by Mr. Wang Ching-wei
has brought joy to the Japanese
and the adherents of Manchukuo
is amply proved by a perusal of
the Japanese newspapers. Re-
ports from Changchun stated that
the original announcement was
followed by an impromptu cele-
bration in the puppet capital that
was participated in by everybody
from Mr. Henry Pu-yi down, in-
cluding all of the Japanese
advisors of high and low degree.
It remains to be seen, how-
ever, whether Marshal Chang's
resignation if actually carried out,
will have any appreciable effect
on what is now going on in Man-

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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

SEE 790.94/30 FOR Despatch # 106.

FROM Japan (Grew) DATED August 26, 1932.
TO NAME 1-1127 ***

REGARDING:

Japanese, if left alone, will extend themselves
too far in China and thus incur the hatred
of the Chinese.

hs

793.94/5550

5550

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

DOCUMENT FILE

NOTE

SEE 893.01-Manchuria/453 FOR #996

FROM Canada (Boal) DATED Sept. 3, 1932
~~TO~~ NAME 1-1197 ...

REGARDING: speech of Dr. Inazo Nitobe at Ottawa in regard to Japan's
interests in Manchuria.

dew

793.94/5551

5551

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

Ottawa, Canada.

September 3, 1932.

No. 996.

Subject: Speech of Dr. Inazo Nitobe.

STRICTLY CONFIDENTIAL.

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to report that yesterday evening Dr. Inazo Nitobe, a member of the House of Peers of Japan, chairman of the Japanese section of the Institute of Pacific Relations, and for some years deputy chief of the General Secretariat of the League of Nations, spoke at a dinner of the Canadian Institute of International Affairs at Ottawa.

Dr. Nitobe's speech, which was attended by Mr. Tokugawa, the Japanese Minister at Ottawa, Sir Robert Borden, formerly Prime Minister of Canada, Mr. C. E. Cahan, Secretary of

State,

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State, (who has been appointed as representative of Canada at the coming meeting of the League at Geneva), a number of officers of the Military Service, Mr. Le Rougetel, the Acting British High Commissioner, and a considerable number of Canadians of importance, was followed by questions. The discussion turned on Japan's interest in Manchuria. Dr. Nitobe defended the usual Japanese thesis with respect to Manchuria, explaining that their desire was to have a buffer state; that Japan did not desire to annex Manchuria but that an independent Manchuria was a necessity for Japan.

Dr. Nitobe expressed the belief that China would be divided into three parts, southern China, which would be Bolshevik, central China, and Manchuria, which would consist largely of China beyond the Great Wall. He said that even on legal grounds, Manchuria could not be considered Chinese, since it was the feudal property only of the Manchu Dynasty. Queried as to Japan's future markets, Dr. Nitobe declined to comment on the possible duration of an attitude of commercial hostility on the part of China, but made the remarkable statement that in his opinion Japan's future markets would be in the South Sea Islands, "with their millions wanting cheap goods". After dismissing the legalistic aspects of the Manchurian situation as of secondary importance, he put his case frankly on the basis of national necessity. He looked upon Japan as the protector of life and property in the Far East and the main barrier against the spread of communism and banditry. He

also

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also emphasized the necessity for Japan to control the sources of raw materials and commodities needed in her industrialization, and frankly stated that Japan intended to remain in Manchuria under any conditions. In this connection he referred to the huge Japanese financial stake in Manchuria and said that the United States had "only a sentimental - an emotional interest". The League of Nations, he said, knew nothing of Manchuria and Japan and should, therefore, keep its hands off a problem which was of primary concern only to Japan and Russia.

There was no discussion of the 9-Power Pact. There was, however, some discussion of the Pact of Paris, in the course of which Dr. Nitobe admitted that a kind of war had occurred in the Far East. The representatives of the military element in Canada indicated by their questions a considerable amount of approval of the Japanese course. Such critical questioning as was attempted was squelched by Sir Robert Borden, whose principal effort during the dinner was to maintain a courteous and cordial attitude toward Japan on the part of those present; but in general the disposition seemed to be to accept the Japanese explanation of the situation at its face value.

Dr. Nitobe has spoken at Toronto, where he seems to have made a favorable impression, and expects to speak a few days hence at Montreal. While Dr. Nitobe was at Ottawa I understand that the Japanese Minister, Mr. Tokugawa, had a number of Canadian officials to dine at his house to discuss the Manchurian question with him. Among them was Mr. C. H. Cahan, Secretary of State, with whom I have today had a half

hour's

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hour's talk. It may be recalled that in Canada the Secretary of State does not deal with foreign relations. These are dealt with by the Department of External Affairs under the Prime Minister, who is also Secretary of State for External Affairs. Mr. Cahan seemed somewhat impressed by Dr. Nitobe's arguments. It is apparent that at this moment his personal feeling is rather that the Japanese should be allowed to work out their manifest destiny in Manchuria and in China in general, as they see fit. He thinks little of the peace efforts made since the Treaty of Versailles. I gathered that he considers both the Pact of Paris and the recently enunciated doctrine of non-recognition contained in the President's speech of August 12, 1932, as unworkable. He talked to me at some length on this question, stating that while he recognized the necessity of expressing to the public an abhorrence of adjustments of international matters by force, his own private personal view was that to try to interfere with developments of this nature was "foolishness". After all, he said, as Dr. Nitobe had pointed out, England in Egypt and the United States in Panama had done much the same sort of thing. There was no reason why there should be one measure for the Occident and one for the Orient, and he felt that the Japanese could with some justice accuse the western nations of hypocrisy when they directed reproaches at them for their methods in international dealings.

I answered some of Mr. Cahan's remarks but judged it impolitic to take his statements too literally or to make too pointed an issue of them. Mr. Cahan in conversation

rambles

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rambles about from point to point without much apparent logic or purpose. He is a garrulous old man whose dislike of the United States is perhaps only exceeded by his dislike of England, and he is inhibited by a tendency to contrariness. His indiscretions during the recent Conference were a matter of constant annoyance both to the Canadian and to the British delegations. However, he has the reputation of being a capable lawyer and a crafty politician with a considerable following about Montreal. I have no doubt that the Cabinet is glad to see him sail for Geneva before the Parliamentary session opens here as his talkativeness might lead to difficulties during the debates on the Imperial Economic Treaty agreements. At the same time his presence at the League may result in some embarrassment if the Japanese question becomes an acute issue at this session. He may at any moment be moved to make some indiscreet statement. I believe the Prime Minister to be wholeheartedly favorable to the American viewpoint on the Sino-Japanese question and I have no doubt that if Mr. Cahan seriously overstepped his mandate at Geneva he would be called to order from here. It may be considered desirable, however, to suggest that the Minister at Berne have some conversations with Mr. Cahan with a view to clearing his mind somewhat on this matter. Mr. Riggs knows Mr. Cahan and can easily effect the necessary introduction.

Mr. Cahan is sailing on September 16th and he asked me if I had any non-confidential data on the Sino-Japanese question which I might supply to him to study. He was particularly anxious to obtain a copy of the Secretary's last

letter

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letter to Senator Borah on the subject. Mr. Cahan has only recently begun to familiarize himself with this question. I feel sure that it would be profitable to place in his hands such information and reasoning of the matter as we may have at hand, bearing in mind that he is likely to hand it about to some extent when he gets to Geneva. Furthermore, I should be glad to express to him any views or arguments that you might wish to place before him.

There is enclosed a clipping taken from the Ottawa CITIZEN of today regarding Dr. Nitobe's visit to Ottawa.

Respectfully yours,

PIERRE de L. BOAL

Pierre de L. Boal,
Chargé d'Affaires a.i.



Enclosure:

1. From Ottawa CITIZEN,
September 3, 1932.

800

PdeLB/EMS

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

DOCUMENT FILE

NOTE

SEE 763,72119 Military Clauses/31 ^{General} FOR Tel. #525-4pm.

FROM France (Edge) DATED Sept. 10, 1932.
TO NAME 1-1127

REGARDING:

Sino-Japanese difficulty in Manchuria.

During a conversation concerning the German demands for revision of the Versailles Treaty it was stated that a close relation exists between these demands and the -- with respect to the sanctity of treaties. Herriot brought out the fact that Japan would withdraw from the League in the event that the Lytton report was accepted.

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

WE
S.

MP

This telegram must be
closely paraphrased be-
fore being communicated
to anyone

Paris

Dated September 10, 1932

Rec'd 2:25 p.m.

note

Secretary of State,
Washington.

525, September 10, 4 p.m.

Herriot received Senator Reed and myself yesterday
afternoon accompanied by Marriner.

At the opening of the conversation Herriot referred
to the fact that the negotiations on the commercial treaty
seemed to be proceeding smoothly. Reed told him that the
conclusion of such a treaty at this time would be of great
value to France in American public opinion.

Herriot was fully aware of the American lack of
(?) German claim for rearmament and was extremely grateful
for it. He said that since his coming into power he had
done his utmost to promote disarmament which was a
necessity for France as well as for the rest of the world
and which was deeply ingrained in the mass of the French
people especially the peasants. Nevertheless he said at
the present moment, with the German mental state what it
seems to be, he really was fearful of the situation. He
said that all their reports indicated that the secret

store

763.72119 Military Clearance/31

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2-#525 From Paris September 10, 1932

store of arms was very great; that there were depots of arms just across the Dutch Frontier; that the Russians had manufactured for Germany forbidden categories of arms and that an order for periscopes had been received by a factory near Rotterdam thus indicating the possibility of the concealment of submarines. Furthermore, he said that any nation that could on a Sunday produce a demonstration of disciplined men to the extent of one hundred and twenty thousand, as the Stalheim demonstration at Templehof, only lacked the arms to make them a menace to Europe. He, therefore, said that France, in view of its closeness to Germany, was in a different position than the United States although he could and did appreciate our helpful attitude and intended in his speech at the American monument ceremony at Meaux on Sunday to thank America for her great impetus along the lines of disarmament as outlined in the Hoover proposal as well as for her contribution to the workings of the machinery of peace as set forth in Mr. Stimson's speech of August 8th last.

He said the note which he was to communicate to Germany in reply to their note to him asking for "confidential conversations" was merely a refusal to enter into such confidential conversations in view of the fact that France was not the sole country interested in the matter
and

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MP

3-#525 From Paris September 10, 1932

and could not undertake to give up the rights of others including those reserved by the United States to (?) in its separate treaty with Germany without consultation with these other powers. He then proceeded to outline the note reading passages of it along the lines of Leger's and Ray's expose to Marriner (see my 520 September 8, 4 p.m.)

He said that France at the moment was more disturbed with reference to Germany's activity and state of opinion than for many years and in examining his conscience he thought that these fears were justified. He said that Von Papen had proposed an arrangement or understanding between the general staffs of the two countries and when Marriner said that this was done at Lausanne the Prime Minister said yes and that the suggestion had been renewed more recently. He said, however, that he was opposed to this type of alliance and arrangement which had been the cause of many of the difficulties of Europe and possibly of the Great War and that he was all against secret diplomacy and in favor of upholding the peace machinery of the world in all its forms and of the (?) League of Nations in particular.

Turning to the situation in Manchuria Reed said that there was an inter relation between this question and armaments question since the Chinese-Japanese difficulty would come into play at Geneva at the same time

and

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MP

4-#525 From Paris September 10, 1932

note
792.94

and might serve as another spoke in the wheels of disarmament. Reed said that of course he realized that the interests of French policy as well as French economic development lay rather in China than in Japan and the Prime Minister said that this was exactly so - that all French policy was based on a respect of treaties, on the machinery for the organization of peace as developed at Geneva, and that the commercial relations were of course infinitely greater with China than with Japan, and that her colonies bordered China at one point.

Herriot had received a short time ago a prominent Japanese returning to his country who said that there could be no question but that the Japanese attitude on the Shanghai-Manchurian question had been wrong and ill advised but that Japan was in a dilemma between ill advised army officers on the one hand and the Communists on the other. He said that this Japanese who represented the moderate elements had said he hoped France would use her influence to point out to Japan her errors and how far they were alienating her position as a world power. He said that he thought that French influence would have more (#) perhaps than any other since it would be felt in Japan to be the least interested. He pointed out, however, that any representations of this kind must be done

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5-#525 From Paris September 10, 1932

done with the greatest gentleness in order to meet with any effect because of the peculiar susceptibilities of the Japanese people. The Prime Minister asked his informant whether he thought Japan would go so far as to get out of the League in case of the acceptance of the Lytton report, and the answer was yes; that it was possible that they might feel it desirable to remove themselves from the obligations which they had taken in the League covenant. The Prime Minister then said he brought up the question of the fact that this would in no way remove them from their obligations towards the United States and certain other nations in the Washington Treaties nor from the obligations of the Briand-Kellogg Pact and asked whether he thought they would go so far as to run the danger of rupturing these. He said that the Japanese then replied that the financial situation of Japan was so bad that he did not think they would ever carry their threats that far.

Reed said, however, that if some action were not taken on the Lytton (?) the League the League would certainly lose all moral support particularly in the United States and that as there could be no question as to the attitude of practically all of the small powers

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MP

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it was only on the attitude of England and France that the prestige of obligations undertaken depended.

The Prime Minister then asked what the attitude of England was and Reed said that he was leaving for London early next week in order to see MacDonald and Simon to discuss this very subject, whereupon the Prime Minister asked if he will be coming back to Paris as he would like very much to talk with him again after he had had an opportunity of discussing the matter in England. Herriot then invited Reed, Marriner and myself to lunch with him at the Foreign Office on Monday September 19 for the expressed purpose of continuing the conversations.

Cipher
(GRAY) / Copies to Berlin, London, Brussels and Berne.

EDGE

(#) Apparent omission

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DOCUMENT FILE

NOTE

SEE 893.00-P. B. Shanghai/48 FOR #8445

FROM Shanghai (Cunningham) DATED Aug. 11, 1932
NAME 1-1127 ***

REGARDING: the Shanghai situation. Withdrawal of Japanese troops
from Shanghai. Activities of the Joint Commission.

dew

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THE JOINT COMMISSION ON THE WITHDRAWAL OF JAPANESE FORCES

By the end of May the greater part of the Japanese military forces had been withdrawn from Shanghai, leaving only a force of some two thousand marines of the Japanese Naval Landing Party and a few hundred Japanese gendarmes. These were quartered in the International Settlement and on extra-settlement roads and in addition occupied that section of Chapel known as Area IV and the area adjoining it east of the Shanghai-Cooang Railway. There were also Japanese marines stationed at various Japanese cotton mills and the Tung Jen College. On June 1st the Chinese member of the Joint Commission made representations to the Commission against the continued occupation of these areas outside the Settlement and claimed that as a result thereof Chinese municipal services in these areas could not be put into effect. After considerable negotiation the area north of the Hongkew district and east of the Shanghai-Cooang Railway was transferred to Chinese control, with the exception of the extra-settlement road area, on June 17th. On June 26th the Japanese were withdrawn from the Tung Jen College on Hungjao Road, in the western district. On July 8th and 9th they were withdrawn from various

cotton

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cotton mills and other points at Woosung, and on July 17th Area D was transferred completely to Chinese control. At the end of July the Japanese garrison was withdrawn from the Hung Bah Cotton Mill, although the Japanese reserved the right to return the garrison in case of necessity. Thus at the end of July the only Japanese forces outside the Settlement were at Toyoda Cotton Mill on Jessfield Road, and it is claimed by them that they have a right to station troops there since it is an extra-settlement road.

While the Japanese authorities, generally speaking, carried out their withdrawal as rapidly as circumstances would permit and with a minimum of friction, yet as regards Area D they manifested considerable reluctance to withdraw. The explanation given by them is that there are a large number of Japanese residents in Area D and that they would be exposed to Chinese hostile acts if too rapid an evacuation of that area were carried out; also that they wished to make arrangements with the Chinese authorities for a drill and recreation ground in Area D for their naval forces, and that it was very difficult for them to find suitable accommodations for their forces in the Settlement since these forces were considerably larger than they had been before the Sino-Japanese hostilities. Another reason advanced by the Japanese was that there had been numerous changes in the Japanese naval command and it was necessary to acquaint each new naval commander with the details of the evacuation program.

Questions

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Questions concerning the stationing of Chinese troops in the area south of Shanghai, and also concerning the transportation of Chinese troops through the Shanghai area to Hankow and points north, were brought before the Joint Commission during June and July.

The first question of this nature to come before the Commission was on May 27th, when the Chinese Government, through its representative, informed the Chairman that it was proposed immediately to station two battalions of troops at Lungwa and vicinity, on account of the possibility of disturbances taking place on the anniversary of the May 30 incident of 1925. The representative of the Chinese Government stated that it was not considered that the stationing of these troops could be deemed a hostile act within the meaning of the May 5 agreement and that the Japanese authorities therefore had not been informed. The Japanese member of the Commission, when informed of the proposed stationing of Chinese troops at Lungwa, stated that the Japanese authorities were willing to concur in the stationing of a limited number of Chinese troops at Lungwa itself but that before such troops were moved to any area of disturbance, notification should be given to the Chairman of the Joint Commission, who would seek the concurrence of the military representatives of the participating friendly powers. After some further informal discussion it was decided to hold a meeting of the Joint Commission on May 31st to consider the question. At this meeting the Chinese and Japanese members each

stated

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stated their interpretation of article 2 of the May 5 agreement, the Chinese contending that that clause in article 2 which provided

"that the Chinese troops will remain in their present positions pending later arrangements"

referred only to the Chinese troops who were actually at the time in the positions described in annex 1 of the agreement and therefore did not apply to Chinese troops generally. The Japanese, on the other hand, maintained that according to the discussions which had taken place prior to the conclusion of the May 5 agreement it was understood that no Chinese troops would be stationed in the areas south of Hoochow Creek. However, the Japanese delegates stated that they could raise no objection to troops being sent to Lunghwa but if they were to be moved to positions outside of Lunghwa the Chinese should inform the Chairman of the Joint Commission beforehand. This was agreed to by the Chinese delegates as a matter of courtesy.

The same question arose about the middle of June, when the Japanese obtained information from private sources that the Chinese Government proposed sending several regiments of troops from Hangchow via the Shanghai-Nanking Railway to Anhwei Province for bandit suppression. The Japanese delegate stated that this was contrary to the provisions of the agreement, which precluded Chinese troop movements in the Shanghai area north of Hoochow Creek.

A meeting of the Joint Commission was held on June 13th at which the Chinese delegate maintained the

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same position that he had taken on the previous occasion, namely, that the proposed troop movement through the Shanghai area did not violate the agreement. The Japanese delegate contended that the provision in article 2 of the Agreement did not apply to any particular Chinese troops but to Chinese troops generally, and that therefore there should be no troop movements in the areas north of Rongchow Creek whether with or without hostile intent.

The neutral members of the Commission decided in effect that article 2 of the Agreement provides an area within which there should be no movement of Chinese troops; that area being defined in Annex 1 of the Agreement; that outside that area there shall be no hostile movement by either the Chinese or Japanese in the vicinity of Shanghai. This interpretation was not accepted by the Chinese delegate who informed the Commission that the Chinese Government considered that the passage of Chinese troops through Shanghai did not in any sense constitute a violation of the provisions of the May 5 Agreement. The Japanese delegate having referred to Tokyo the question of the passage of Chinese troops of the 9th Division through Shanghai, the Japanese Government consented to the passage of these troops on the condition that prior notification be given. In accordance therewith, considerable bodies of troops belonging to the 9th Division, the 14th and 83rd Divisions passed through Shanghai during June and early July. As was inevitable, the passage of these troops was attended by a certain amount of friction between the Chinese and

Japanese

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Japanese members, it being contended by the latter
that the stipulation in regard to prior notification
was not lived up to by the Chinese.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

SEP 3 1932
Conversation.

July 26, 1932.

Mr. Quo Tai-chi, Chinese Minister
appointed to Great Britain.

Mr. Hornbeck.

Subject: China.



Mr. Quo called by appointment at 5 p.m.

Mr. Quo made statements with regard to China's policy in relation to current international problems similar to those which he had made in his conversation this morning with the Secretary. He said that if the Japanese make an attack in the nature of a drive toward Peiping, China will resist by force. He said that the Chinese understand the position of the United States and of the League and appreciate the difficulties which stand in the way of their efforts on behalf of peace and of respect for treaties.

Mr. Quo then gave an account of the internal situation in China and the thought and plans of the present political leaders. In this, he covered substantially the ground which he had covered in an interview of which an account is given by a staff correspondent of the NEW YORK TIMES in the TIMES of July 26, 1932. (NOTE: See file of newspaper clippings.)

Mr. Hornbeck

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

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Mr. Hornbeck referred to the inquiry made by the Secretary of State on the subject of spread of communism in Central China. Mr. Quo said that he was not as yet seriously worried by that situation. He said that there are "bandit" or "Red" or "Communist" activities which are annoying and which look alarming. There are armed bands wandering about and doing a considerable amount of destruction. These, however, are not united under any one head and they have not unity of purpose. They can be checked but not entirely suppressed by military force. It is not likely that they will extend their "control" effectively in the Yangtze Valley. They must be dealt with for the most part in their various localities and the method necessary is that of improving local economic conditions and placing responsibility on local officials. This the Nanking administration is trying to do. Mr. Quo reiterated that he did not think that there was a definite "Communist" menace in Central China, but that the possibility of continuing disorder, if economic conditions continue to be bad and if the Government continues to be faced with financial deficits, must always be kept in mind. (NOTE: In his discussion of this subject Mr. Quo seemed thoroughly objective, and he said at one point that he did not think that any Chinese should discuss this subject in a manner which implied a political or diplomatic threat.)

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Mr. Quo said that he supposed that we were completely informed with regard to the activities and contacts of the League of Nations Manchuria Commission. Mr. Hornbeck said that we see newspaper accounts and receive from our own officers abroad information with regard to the movements of the Commission. Mr. Quo asked whether we had been informed with regard to a "plan" which the Chinese had submitted to the Commission for solution of the Manchuria question. Mr. Hornbeck said that we were not informed with regard to any such matters. Mr. Quo said that he would like in confidence to give an outline of this "plan". He said that it was highly confidential and that he would prefer that no note be made of its points. He then read from a document in Chinese character. The "plan" in question was a lengthy and involved project which went into considerable detail on points of administration. Its central and fundamental idea seemed to be that of neutralizing Manchuria from a military point of view, effecting a "non-aggression" agreement to which China, Japan and Russia should be parties, and leaving Manchuria in Chinese hands, its administrators to be assisted by foreign advisers.

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There followed some discussion of events of the past nine months. In particular, Mr. Quo gave an account of the negotiations subsequent upon the military operations at Shanghai. Mr. Quo spoke in high praise of Sir Miles Lampson and

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and Mr. Nelson T. Johnson. He said that Lampson had gotten more publicity but that Johnson had contributed substantially to the success of the negotiations. He said that Lampson had urged upon him, Quo, acceptance of certain Japanese demands which it was absolutely impossible for him to accept and that Johnson had been very objective and had aided in making clear what was possible and what was not possible. He said that in the conferences Lampson had automatically assumed the position of chairman. Mr. Hornbeck remarked that American diplomacy in such situations is directed toward achieving results rather than toward acquiring credit.

Mr. Quo made certain remarks with regard to the post to which he is going, from which it might be inferred that he is not unaware of some of the difficulties that may confront him. He said that Mr. Alfred Sze has taken a house in London and will remain there for some time because he has children in school there and he wishes to have a thorough rest. The Chinese Government wants him to take on some new official duties but he for the present pleads the necessity for a rest. Dr. W. W. Yen will remain at Geneva pending developments this fall. Mr. Quo will probably go to Geneva.

Mr. Quo reaffirmed his appreciation and that of his colleagues at Nanking of the stand which the American Government takes on behalf of peace and justice.

FE:SKH/ZMF

SKH

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

No. 880

Number 22 1652.

~~STRICTLY CONFIDENTIAL.~~

The Honorable

Nelson T. Johnson,

American Minister,

Peiping.

Sir:

There is enclosed for your information a copy of a memorandum of a conversation on July 26, 1932, between Mr. Quo Tai-chi, Chinese Minister appointed to Great Britain, and an officer of the Department, in regard to China.

Very truly yours,

For the Secretary of State:

Harvey H. Bundy

Enclosure:
 Copy of memorandum
 dated July 26, 1932.

SEP 20 1952
 OR 507

FE:SKH:REK
 9/20/32

FE



793.94/5554

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

DOCUMENT FILE

NOTE

SEE 793.94 Commission/360 Substantive File FOR Tel. # 262, noon
FROM Great Britain (Mellon) DATED September 14, 1932.
TO _____ NAME _____ 1-1127 ***

REGARDING:

Unusual activity shown by Japanese forces
around Peiping may portend southward ex-
tension of their operations.

793.94/5555

Confidential File

hs

0283

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

Return to FE
 1-138 TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PLAIN

1-138
 PREPARING OFFICE
 WILL INDICATE WHETHER

Collect
 Charge Department
 or
 Charge to
 \$

Department of State

This cable was sent in confidential code.
 It should be carefully paraphrased
 being communicated to anyone.

1932 SEP - 13 - P Washington.

September 15, 1932.

AMEMBASSY,

LONDON (England).

Confidential.

Your 262, September 14, noon, penultimate sentence.

The Department has handed to the British Embassy a memorandum giving information received from Peiping and Tokyo with regard to possible southward extension of Japanese operations and the views of the Department in regard thereto. A copy of the memorandum is being forwarded to you by pouch.

Pending receipt thereof
In the interval, and for your guidance in case Simon urgently desires to have our information and to know our views in this connection: We have sufficient information to warrant apprehension lest the Japanese advance into Jehol and meet with Chinese resistance and/or begin some operations in the Peiping-Tientsin area; also apprehensions with regard to what, in the event of operations in the latter area, might be the action of the Japanese Legation guard at Peiping and the Japanese military contingent stationed at Tientsin. We know that activities of the Japanese Legation guard at Peiping on several recent occasions have been of a character which we regard as ill-advised and which seem calculated either to intimidate or

Enciphered by _____

Sent by operator _____ M., _____, 19____

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-138

F/HS

793.94/5555

Confidential File

245
 793.94
 701.0093
 793.1002 PE

16
 9 am

0284

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

1-138
 PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

1-138
 TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PLAIN

Collect
 Charge Department
 OR

Department of State

Charge to
 \$

Washington,

- 2 -

to provoke the Chinese population and to annoy and worry the other legations and to suggest indifference to the ^{we understand that this report is responsible to army authorities only.} opinions and the legitimate concern of others. We have ^{no doubt} but that the information which the British Government has from its own officers and observers is replete with detail which will correspond substantially with that which we have from ours. SKH

In this situation, given its ultimate possibilities, we feel that the question of the rights, interests and safety of the legations and of the civilian population, especially foreign nationals, in the event of hostilities in the Peiping-Tientsin area, should be given, in advance, very serious consideration. Until such hostilities become definitely imminent, it is difficult to ^{put forward} ~~initiate~~ ^{or general discussion} suggestions which ^{are} imply the assumption that they will occur. However, SKH we believe that it would be advisable to arrive at some community of view with regard to what might be done in case they do occur. The suggestion has been made to us that steps should be taken to ^{effect} ~~affect~~ neutralization of the Legation quarter. Another suggestion has been made to us envisaging neutralization of the whole city of Peiping and its immediate ^{area} ~~environs~~. It seems to us that neutraliza- SKH

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 D. Gustafson NARS, Date 12-18-75

1-128
 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

- 3 -

Washington,

tion of the Legation quarter alone would not repeat not ensure the safety of the quarter. It seems to us that neutralization of Peiping and its ~~environs~~ would be more desirable and almost equally practicable. Peiping is no longer the capital; it is not repeat not important as an industrial or commercial or communication center; there are located within it important art treasures; and there are stationed within it, under special treaty provisions, the foreign legations and their personnel. It seems to us that it would be warrantable for the powers, if and when hostilities appear imminent, to suggest to the Chinese and the Japanese Governments that they immediately enter into an agreement whereby ~~the~~ Chinese military forces and their equipment and instruments shall be removed from Peiping and the city and its ~~environs~~ be made a neutralized area. 514

We would like to have Sir John give consideration, in strict confidence, to this idea and would welcome his views.

A more complete treatment of the subject is being given in the memorandum referred to in the first paragraph of this telegram.

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 D. Gustafson NARS, Date 12-18-75

1-128
 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,

- 4 -

You may, in your discretion, ⁱⁿ and ~~with~~ injunction
 of confidence, ~~take this matter up with Simon~~ inform Sir John
~~from Simon~~ of all of the above.

SKH

Stimson
 v

793.94 Commission/360

FE:LES:SKH/ZMF

m.m.A.
 FE

SKH

Enciphered by _____

Sent by operator _____ M., _____, 19_____

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1959 1-128

0287

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

PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

~~FE~~
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Collect
Charge Department

Department of State

Charge to: This cable was sent in confidence. It should be carefully paraphrased. 1932. BE -19- PH 2:56 Washington,
being communicated to anyone.

DEPARTMENT OF STATE
DIVISION OF
COMMUNICATIONS & RECORDS
September 19, 1932.

AMLEGATION.

PEIPING (China).

320 Confidential

SKH
per NY

793.94

One. The British Secretary for Foreign Affairs having expressed to the American Ambassador at London an interest in receiving information with regard to the possibility of Sino-Japanese armed hostilities in the Peiping-Tientsin area, the Department has handed to the British Embassy a memorandum, and has telegraphed to the Embassy at London for use, in discretion, in conversation with the British Secretary for Foreign Affairs, a condensation thereof giving the information reported by you in this regard and outlining the Department's views as to certain possible steps which the Department believes might advantageously be taken by non-disputant interested powers.

Pertinent portion of text of telegram follows:

QUOTE (Telegraph Room repeat from telegram attached, as marked.)

Two. Communicate this in paraphrase by mail to Tokyo.

FE:SKH-LES/CLS

FE

Stinson
WJ

Enciphered by 1711

Sent by operator M., 19

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1932 1-138

F/HS
793.94/5555

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

September 26 1932.

CONFIDENTIAL - STAFF USE ONLY

No. 94

The Honorable

Joseph C. Grew,
 American Ambassador,
 Tokyo.

Sir:

The Department refers to its telegram No. 320 of September 19, 1932, to the Legation at Peiping, forwarded to you in paraphrase, informing the Legation that it had handed to the British Embassy a memorandum with regard to the possibility of armed hostilities between China and Japan in North China south of the wall and the views of the Department in this regard, and encloses a copy of the memorandum.

Very truly yours,

For the Secretary of State:

Harvey H. Bundy

Enclosure:
 Copy of memorandum.

FILES:CLS
 9/23/32.

FE

Oct. 2 1932



F/HS

793.94/5555

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

~~EE~~

CONFIDENTIAL - STAFF USE ONLY

No. 886

The Honorable

Nelson T. Johnson,
 American Minister,
 Peiping.

Sir:

793.94/5555

The Department refers to its telegram No. 320 of September 19, 1932, informing you that it had handed to the British Embassy a memorandum with regard to the possibility of armed hostilities between China and Japan in North China south of the wall and the views of the Department in this regard, and encloses a copy of the memorandum.

Very truly yours,

For the Secretary of State:

Harvey H. Bundy

Enclosure:
 Copy of memorandum.

FE/LES:CLS
 9/23/32.

FE

SEP 24 1932

SEP 25 1932

A true copy of
 the signed original
 [Signature]

F/HS

793.94/5555

CR
 Sep. 2 1932

0291

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

~~Return to FE~~

71E

SEP 18 1932

No. 217

The Honorable

Andrew W. Mellon,

American Ambassador,

London.

793.94/5555

Sir:

793.94 Commission/36

F/HS

793.94/5555

The Department refers to your telegram No. 262 of September 14, 1932, reporting that Sir John Simon expressed an interest in receiving any information available to the Department with regard to the possibility of armed hostilities between Chinese and Japanese forces in North China south of the wall, and to the Department's telegram No. 245 of September 16, 1932, and encloses a copy of a memorandum, handed to the British Embassy on September 16, containing information received from officers in the field and the views of the Department in regard to this possible development.

Very truly yours,

For the Secretary of State:

W. B. Castle, jr.

Enclosure:
Copy of memorandum
described above.

FE:LES:CLS
9/19/32.

FE

~~SKT~~

A true copy of
the signed original

SEP 19 1932. PM
AMM

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

*Handed to
 Mr. [unclear]
 British Embassy
 12-16-75
 5648*

MEMORANDUM.

It is the understanding of the Department of State that, in a conversation on September 13 between the British Secretary for Foreign Affairs and the American Ambassador, the British Secretary for Foreign Affairs expressed interest in receiving any information available to the Department with regard to the possibility of armed hostilities between Chinese and Japanese military forces in North China south of the wall.

The information in this regard which has been reported to the Department of State by the American missions at Peiping and at Tokyo is, in brief, as follows:

On July 24, General Chang Hsueh-liang inquired of the American Military Attaché at Peiping what measures would be taken if the Japanese Legation guard should take action in Peiping; on July 26, the Chinese were concentrating forces in the neighborhood of Peiping and Kupeikou to meet

F/HS

793.94/5555

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

- 2 -

a possible threat of invasion by the Japanese; the purpose of the conference at Peiping at that time of Chinese military leaders was to meet anticipated Japanese action, and the Chinese considered it probable that, in the event that Chinese troops were moved into Jehol, Japanese forces would enter the Peiping-Tientsin area; on August 3, Wellington Koo spoke to Minister Johnson of the danger of Japanese military action at Peiping and inquired with regard to the possibility of neutralizing Peiping and Tientsin; on August 4, the spokesman of the Japanese War Department gave a statement to the vernacular press to the effect that if Chang Hsueh-liang and his party should repeat their plots (against "Manchoukuo") there would be serious results and that if Chang Hsueh-liang carried out his plans he would be "digging his own grave"; on August 30, two Japanese military officers stated to the British Commandant at Peiping that 'it was necessary to crush Marshal Chang Hsueh-liang if he did not depart'; on September 6, the British Charge d'Affaires at Peiping informed Minister Johnson that the Japanese

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

- 3 -

Japanese Chief of Staff at Tientsin had told the British Brigadier at Tientsin that the former could give no guarantee that under certain conditions the Japanese Army would not act inside the wall and that it would be necessary for the Japanese Army to strike at Chang Hsueh-liang at Peiping if he continued assisting the movement of "volunteers" in Manchuria. The American Minister at Peiping has reported three instances of manoeuvres by the Japanese Legation guard outside the Legation quarter. A Japanese Army officer, attached to the Japanese Assessor with the Commission of the League of Nations, recently informed the American Naval Attaché at Peiping that 'the Japanese, except in the event of serious provocation, have no intention of occupying the Peiping-Tientsin area'.

In view of these reports, which in the opinion of the Department of State warrant apprehension that Sino-Japanese hostilities may occur in the Peiping-Tientsin area, the Department believes that the question of safeguarding the rights, interests, and safety of the Legations and of the civilian population, especially foreign nationals, needs to

be

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

- 4 -

be given, in advance of such occurrences, very serious consideration. Until such possible hostilities become definitely imminent, it is difficult to initiate suggestions which imply the assumption that they will occur. However, the Department has felt that it is desirable that the representatives at Peiping of the principal non-disputant powers concerned discuss this question and related questions freely among themselves and endeavor to arrive at a community of view in the form of common recommendations for submission, in the event of definitely threatening developments, to their governments respectively. The Department has felt that such discussions should include the possibility of proposing to China and Japan complete neutralization during the period of hostilities of the city of Peiping, including an area with, say, a ten mile radius from the walls, this area to be cleared of military and other armed forces with the exception of police gendarmes and Legation guards, military operations of any sort within this area to be prohibited and no aerial operations or flying over this area to be permitted. It

now

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

- 5 -

now seems to the Department that it might be warrantable for the governments of the powers, if and when hostilities appear imminent, to suggest to the Chinese and Japanese Governments that they immediately enter into an agreement of this character. The Department inclines toward the view that among the considerations which would be weighed by the Japanese with regard to such a proposal, those in favor of agreeing to such a proposal, if made, would outweigh those against. Among the considerations in favor would be the fact that there exist special arrangements, by multilateral agreement, with regard to the maintenance at Peiping of a special Legation quarter with special guards, and provision for the maintenance by the foreign powers of an open line of communication from Peiping to the Gulf of Chihli, and the probability that there would be little if anything for the Japanese to lose strategically by such a neutralization, as Peiping is not important as an industrial or commercial or communication center and is no longer the capital. Were the Japanese to dissent to the proposal and to advance in force into this area, there

might

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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might be many possibilities of their becoming embroiled with foreign powers in case, in consequence of military operations begun by them, the Legation quarter were to suffer, or the military forces of other foreign powers at Peiping or at Tientsin were brought into collision either with Japanese or with Chinese military forces. It seems reasonable to anticipate that there would probably be no objection on the part of China to a proposal that Peiping be thus neutralized. With regard to the suggestion which has been made to the Department that request might be made for the neutralization of the Legation quarter alone, the Department doubts whether adoption of that suggestion or proposal would be of substantial practical value, for the reason that if fighting were to occur near to, within, or over Peiping, the Legation quarter would be in constant physical jeopardy, no matter what its legal status.

The Department has already informed the American Minister at Peiping of its views as expressed in the foregoing paragraph.

The

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

- 7 -

The Department would appreciate consideration by the British Foreign Office of the views expressed above and would welcome an expression of the Foreign Office's views, especially with regard to the desirability of the governments of the powers, particularly the British and the American Governments, being prepared in advance to suggest to the Chinese and Japanese Governments, at an appropriate moment, if and when, that they exclude Peiping from the field of military operations.

Department of State,

Washington,

FE
FE:LES:CLS
9/16/32.

FE
FE

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

DOCUMENT FILE

NOTE

793.94/5556

SEE 861.77-Chinese Eastern(Loan)1932/8 FOR Tel.#519-noon

FROM France (Edge) DATED Sept.8,1932
TO NAME 1-1127 ***

REGARDING: Desire of France, Great Britain and the United States to prevent
a definite break between China and Japan at Geneva.

tfv

1295
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

FE

MET

This telegram must be closely paraphrased before being communicated to anyone.

Paris

Dated September 8, 1932

Rec'd 12:20 p. m.

Secretary of State,

Washington.

URGENT.

519, September 8, noon.

Your 315, ¹⁷September 6, 3 p. m.

note 793.94
It appears to be accurate that the Albert Kahn private bank which since 1898 has served as fiscal agent for the Japanese Government in France, has been attempting for the last six months to obtain a fifty million dollar credit in Paris for the account of Japan. These negotiations have come to nothing thus far and the Bank de Paris et des Pays Bas is still said to be considering the matter with the bonds of the Chinese Eastern Railway as a possible but not probable quid pro quo.

At the Foreign Office Leger stated that the French Government knew nothing of any such negotiation except that the rumor of it has been put abroad at different times for the last year largely by the Kahn Bank a very small unimportant organization without great financial resources. He said that assuredly if any bank of consequence were interesting itself in such a proposal it would come to their attention where

it

861.77-C.E. (Kahn) 1932/8

130
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MET

2-#519 from Paris, September 8, noon

it would meet with discouragement.

He said that the attitude of France with reference to Japan and Manchuria remained entirely unchanged. He said that France had been in agreement with the American attitude on this question for several reasons. (First) because it conformed entirely with the bases of their foreign policy, namely, the inviolability of treaties and (second) the fundamental rights of states as members of the League of Nations. Thus he said on legal and on moral grounds France sympathized with China. However, in addition to these considerations the interest of France as between China and Japan lay preponderantly in China and the fact that China was a neighboring state to certain of the French colonies made it additionally important for France not to provoke hostility in China or induce any reaction there that might be felt on the French frontiers. It was likewise true that France had no desire to bring on difficulties with Russia by any attempts to assume responsibilities in the Manchurian region. He was deeply disturbed by the possible repercussions of the Lytton report to the League and in particular on the disarmament question as it had been complicated by the German insistence on equality of treatment. He said that the combination of these elements endangered not only the cause of disarmament by as well any economic readjustments that

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

MET

3-#519 from Paris, September 8, noon

that might be expected out of the forthcoming conference.

793.94 In this connection James G. McDonald of the Foreign Policy Association had a talk the day before yesterday afternoon with Herriot the tenor of which was much the same as the conversation with Leger. Herriot had been studying your speech of August 8 with attention and apparently intends to put forth the question in a further effort to educate French public opinion on the implications and repercussions of the Manchurian affair in his speech next Sunday. He said that he felt he understood the American attitude fully and the interest which France had in supporting it but that the whole problem was not well comprehended in this country. He said that he likewise realized that the Japanese were a proud people suffering grave internal difficulties between a militaristic group on the one hand and the dangers of communism on the other. Therefore, he hoped that there would be some way of preventing the two governments bringing about a definite break at Geneva. McDonald informed me that when he was discussing ~~this~~ ^{THIS} question with von Bulow in Berlin, Bulow told him that he had discussed most tentatively with the German Ambassador, who was just returning to Tokyo, the possibility that the contents of the Lytton report should be made known in confidence to a group of powers in advance of
its

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

MET

4-#519 from Paris, September 8, noon

its public presentation in Geneva in order that the Japanese might have a chance to prepare their reply to it which should begin by accepting the report as a basis for discussion. This was a purely tentative idea of von Bulow which he expressed to McDonald.

Reed and I have an engagement with Herriot tomorrow and will informally review all these topics.

EDGE

KLP-WSB

130
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

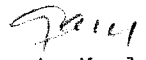
DEPARTMENT OF STATE

THE SECRETARY

FE

Mr. Duval:

Capt. Regnier is now
through with this and returns
it for your disposition.


G. A. Morlock

Feb. 21

1304

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

RECEIVED



No. 109

SEP 19 32

JAPANESE EMBASSY
WASHINGTON



September 16, 1932.

September 26 1932.

Sir:

Under instructions of my Govern-
ment, I have the honor to transmit to you
herewith, for your information, the follow-
ing documents: -

English and French texts of -

"The Present Condition of China,"
(Document A).

"Relations of Japan with Manchuria
and Mongolia," (Document B).

Accept, Sir, the renewed assurances

of my highest consideration.

OCT 13 1932

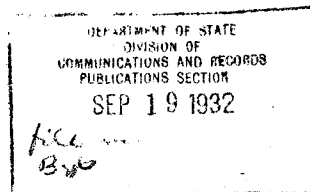
SECRETARY'S OFFICE

S. Kato

Chargé d'Affaires ad interim.

(Enclosures)

The Honorable Henry L. Stimson,
Secretary of State,
Washington.



F/G

893.60/12151

793.94/5557

FILED

FEB 23 1933

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

793.94/5557

Sir:

I acknowledge with thanks the receipt of your
note of September 16, 1932, enclosing for the in-
formation of the Department the English and French
texts of the following documents:

- "The Present Condition of China,"
(Document A).
- "Relations of Japan with Manchuria
and Mongolia," (Document B).

Accept, Sir, the renewed assurances of my high-
est consideration.

For the Secretary of State:

[Signature]

[Handwritten mark]

Mr. S. Kato,

Chargé d'Affaires ad Interim of Japan.

793.94/5557
FE:LES:CLS
9/23/32.

SEP 26 1932
FE
6144

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

F W 793.94/5567

DEPARTMENT OF STATE
 THE UNDER SECRETARY
 DIVISION OF FAR EASTERN AFFAIRS
 October 10, 1932.
 DEPARTMENT OF STATE
 SECRETARY'S OFFICE

The attached two documents, received under cover of a note from the Japanese Embassy of September 16, 1932, were written for the purpose of showing that conditions in China including Manchuria and Mongolia were such that, when the vital economic importance of Manchuria and Mongolia is considered, the actions of the Japanese since September 18, 1931, are justified. The two books are well written but not well enough to make it apparent that anyone but a Japanese has done the work. Contentions with regard to China are well supported by data and frequent use is made of the experiences of other nations vis-à-vis China, particularly Great Britain. Whether or not some of the statements contained in these books are inaccurate, the books are convincing in showing the grounds for genuine grievances against China which the Japanese have, but they fail to convince the reader that the military action initiated on September 18, 1931, was necessary.

Document A. The Present Condition of China.

The first part (pages 1 to 80) deals with anti-foreignism in China. After tracing anti-foreignism historically, the claim is advanced that anti-foreignism is still the

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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

- 2 -

leading characteristic of the Chinese toward foreigners and that it appears (1) when excessive actions on the part of foreigners excite the enmity of the Chinese or when the strength of a foreign power appears to weaken; (2) when China believes she can set one power against another; and (3) when a Chinese faction believes anti-foreign activities will aid it to gain its ends in the internal political situation. These assertions are supported by examples of anti-foreign activities. Chapter 4 (pages 16-18) deals with the influence of the Third International on the foreign policy of the National Government, stating that although the Third International does not exercise in China so great an influence as before yet there are reasons warranting the belief that it will sooner or later resume its activities. Chapter 5 (pages 19-20) deals with the part played by students in anti-foreign agitation; chapter 6 (pages 21-23) the universality of China's anti-foreignism; chapter 7 (pages 24-27) anti-foreign education; chapter 8 (pages 28-36) China's disregard for treaties as a means of excluding foreign influence; chapter 9 (pages 37-39) boycott of foreign goods as a means of excluding foreign influence; chapter 10 (pages 40-41) China's utilization of a third power in anti-foreignism. In this connection occurs the statement that China has interpreted the

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

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attitude of the League of Nations in regard to the Manchuria situation as an expression of good will in support of herself and has been endeavoring to turn it to account by her traditional tactics. Chapter 11 (pages 42-45) deals with China's anti-foreign movement and her masterly propaganda and consists almost entirely of a quotation from a speech made in 1927 by Sir Austin Chamberlain, then British Secretary for Foreign Affairs. Chapter 12 (pages 46-47) deals with China's anti-foreign movements as an instrument of policy. Chapter 13 (pages 48-49) deals with the illegality of the boycott. It is here stated that anti-foreign movements sometimes have no connection with the Government but are later turned to account by the Government. Chapter 14 (pages 50-73) reports the effects on Japan of anti-foreign movements in China. On page 73 there is a statement that boycott, by preventing foreigners from their exercise of the right to trade secured by treaties, constitutes an attack on the legitimate interests of foreigners and is therefore fairly to be considered as being armed hostility against foreign countries. Chapter 15 (pages 74-76) states that Japan's only solution of her internal problems is the development of her industry by importing raw materials from China and exporting manufactured articles to China. China's hampering of Japan's legitimate economic activities is a

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serious obstacle in the way of Japan's very existence, more especially as her claims for racial equality and the future liberty of emigration are denied her. Chapter 16 (pages 77-80) deals with Japan's special relations with Manchuria and Mongolia as distinguished from China proper. To show this special relation there is quoted, among other things, (page 78) a part of the Ishii-Lansing Agreement, with the comment that although this agreement is no longer in force it recalls how once the United States recognized the distinction between Manchuria and Mongolia on the one hand and China proper on the other.

PART II

Lack of Unity and Chaotic Conditions Prevailing in China
(pages 81-142).

The aim of Part II is to show that China is not a state and that it is doubtful if it ever will be.

Chapter 1 (pages 81-83) reviews some of the civil wars in China since 1911, stating that during the last twenty years the situation has been marked by increasing disunity and dissension. Chapter 2 (pages 84-85) asserts that from the very outset under the Manchu

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Dynasty China was never a unified state. Chapter 3 (pages 86-93) gives the reasons for the disunity of China as follows: (1) the complexity of races (this section concluding with the statement that the present dissension and disorganization of China is to be attributed not so much to mere struggles for power among the warlords as to the fact that the fundamental differences of traditions and thought that exist between the various localities naturally lend themselves to the perpetuation of that deplorable condition); (2) lack of a common language; (3) lack of communication facilities (the report of the Kemmerer Commission being quoted in illustration). This chapter concludes with the statement that the emergence of what is called a central government does not in the least signify the political and racial unification of China, being nothing more than a transient phenomenon. In chapter 4 (pages 94-96), commenting on the militarist domination in connection with the disunity of China, it is argued that the Peking Government is not a central government in the true sense of the term, the warlords combining or dissolving, obeying or disregarding a "central authority" only as their selfish interests dictate. In chapter 5 (pages 97-98) it is pointed out that the warlords have their own armies quite independently of the central government. In

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chapter 6 (pages 99-102) it is pointed out that the system of private possession of soldiers by Chinese warlords underlies all political considerations, causes great political confusion and has in no way been modified by the foundation of the National Government. Chapter 7 (pages 103-105) deals with the extortion by warlords, giving figures to show that by far the greater proportion of the revenue of China is wasted in the struggles of militarist chieftains for power. Chapter 8 (pages 106-109) deals with the misrule of the Changs in Manchuria, painting a very black picture and claiming that the military expenses of the total budget under Chang Tso-lin in 1926 was 97 per cent. Chapter 9 (pages 110-112) deals with the plunder by soldiers and inhabitants during disturbances and claiming that the people dread "soldier bandits" more than ordinary bandits. Chapter 10 (pages 113-115) relates to civil wars and bandit activities. In chapter 11 (pages 116-117) it is pointed out that there is no definite distinction between bandits and regular soldiers since regular soldiers as well as bandits make their living by plunder and that bandits often become regular soldiers and regular soldiers often become bandits. Chapter 12 (pages 118-121) deals with bandits in Manchuria. At the close of this chapter are some optimistic statements about diminution of banditry in Manchuria since Japanese occupation which do not

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APPENDICES OF DOCUMENT A.

I. A description of piracy in various parts of China, a description of five outstanding cases in the past three years, three of them against the British vessels, a table of outrages in the past three years and a table of outrages since 1921, giving seventy cases of ships attacked by pirates, thirty of them Japanese ships, nineteen Chinese and fourteen British.

II. A table showing outrages committed by Chinese on foreigners other than Japanese in China since 1922, showing thirty-nine murders, including eight British and twelve Americans.

III. A discussion of communism in China, tracing its history, describing the communistic armies, the soviet governments, their military and administrative activities, relations with Moscow, the future of communism, and Moscow's activities in Mongolia and China proper and in Manchuria. With regard to the future of communism it is stated that it will probably expand unless the peculiar social, political and economic conditions of China are altered and should the sovietized areas in China establish geographic contact along the borders of Siberia, Outer Mongolia or Turkestan, the sovietization of all China will not be

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impossible. With regard to Manchuria it is stated that since September 1931 communists have had a golden opportunity and that the Comintern is working among the forces opposing the new state and has decided to concentrate its campaign in North Manchuria.

IV. The validity and present condition of the so-called Twenty-one Demands.

V. After exhaustively treating of anti-foreign education in China, giving considerable evidence, in the conclusion, pages 65 to 68 of Appendix V, it is argued that anti-foreign education is contrary to the principles proclaimed by the League of Nations, and that Japan has done its best to make its own text books fair to China.

VI. The leading cases of Chinese infringement of various treaties beginning with nine infringements of the Treaty of Commerce and Navigation of 1896, and four infringements of, at least in spirit, various resolutions adopted at the Washington Conference of 1922.

VII. The boycotts established by Chinese and (page 53) the legal aspects of the Chinese boycott. It is claimed that (1) there is ground for considering the Chinese boycott as a state action, in view of the leading role played by the Kuomintang which is so intimately bound up with the Government;

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(2) that the Chinese boycott involves illegal acts such as violation against the persons and property of foreigners; (3) and that it is employed as an instrument of national policy. It is stated that the boycott must be dealt with as a breach of international law and as a violation of the Covenant of the League of Nations.

Document B. Relations of
Japan with Manchuria and
Mongolia.

This volume deals with the menace to Japan of disturbed conditions in China including Manchuria and Mongolia, Japan's rights and interests in Manchuria and Mongolia, infringement of these rights and interests by China, and the vital importance of those areas to the economic life of Japan. After insisting that the Shanghai affair was entirely separate from the Manchuria situation it is argued that the present chaotic condition of China and the present confused state of political thought in the Far East threatens the very foundations of Japan. Chapter 1 (pages 6-17) reviews the saving of Manchuria and Mongolia from Russian absorption, claims that Japan has no territorial ambition and that what Japan desires is the maintenance of peace and order in those

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areas and freedom for the Japanese to pursue economic activities. Considerable space is given (pages 14-15) to the right of Japan not to withdraw her railway guards when Russia did. Chapter 2 (pages 18-27) deals with the communist movement in Manchuria and Mongolia, claiming that the Chinese authorities did little to control Korean communists, that communists have now turned their attention from Europe to the Far East. Japan cannot remain silent if the Chinese control is inadequate or if the Chinese authorities openly approve bolshevisation of their country.

PART II.

Japan's Rights and Interests in
Manchuria and Mongolia.

Chapter 1 (pages 28-31) gives the historical background of these rights and interests. Chapter 2 (pages 32-57) shows in some detail Japanese contribution to the development of Manchuria and Mongolia: the opening up of most of the principal cities and towns in those areas, Japanese investment, increase of arable land, education, culture, and peace, et cetera. The chapter concludes with the statement that on the conclusion of the Sino-Japanese Treaty of 1905 the Chinese plenipotentiary gave assurances for the preservation of peace and order by the Chinese Government and promised

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complete protection of the lives and property of foreigners. "Consequently if China is unable to maintain peace and order in Manchuria and Mongolia, it amounts to a failure on her part to discharge important treaty obligations, so that it becomes unavoidable for Japan to take adequate measures to counteract that infringement of treaty obligations." (page 57). Chapter 3 (pages 58-118) gives many examples of Chinese infringement of Japanese rights and interests in Manchuria. Pages 58-80 deal with oppression of the Korean population contrary to treaty rights. Pages 82-102 deal with the refusal of China to recognize Japanese rights obtained in the Sino-Japanese Treaty of 1915, showing obstruction to the right of entry, travel and residence, the right of leasing of land and the right of agricultural enterprise, and mining rights jointly with Chinese. Pages 102 to 118 deal with Chinese action against the rights and interests of the S.M.R. The chapter attempts to show China's increasingly anti-Japanese attitude, her thoroughgoing hostility against Japan in Manchuria and Mongolia, her unlawful actions, her ignoring of Japanese protests whether written or oral, and Chinese repeated insults and provocations to the Japanese residents. Chapter 4 (pages 119-129) describes the self-restraint of Japan in the face of the Chinese behavior, the increasingly arrogant attitude of the Chinese which resulted, and the ignoring

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by the Chinese of frequent Japanese warnings. The chapter then takes up the murder of Captain Nakamura (whose rank has apparently since his death been raised to that of Major), and the incident of September 18, 1931. This incident and subsequent military activity is only skimmed over. The chapter ends with the statement that "in no instance did it (the Japanese military) interfere with Chinese local administration."

*
Part III. Relations of Manchuria
and Mongolia to the Economic
Life of Japan.

Chapter 1 (pages 130-139) describes the increase in population of Japan, the shortage of food stuffs and Japanese efforts to overcome this shortage within the country, the shortage of clothing materials and building materials. The resultant insecurity of Japan's national livelihood is then discussed. Because of the undeveloped condition of Siberia and its special economic organization and because of the conditions in China proper, "Japan can find no suitable country other than Manchuria and Mongolia, as far as the Far East is concerned, from which she may confidently obtain materials." Chapter 2 (pages 142-143) describes the shortage of raw material for manufacturing and the insecurity of their supply. "We desire to escape to a certain extent

* This is what's at the bottom of it all. SKH

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from the extremely weak position we now occupy, which may be undermined at any moment at its foundation by the import and export policies and other measures adopted by advanced industrial countries." Chapter 3 (pages 144-152) describes the rich resources of Manchuria and Mongolia, the unlawful interference by the Chinese Government in commercial transactions and in mining, and states that any disorder in those regions is a menace to the existence of Japan. In chapter 4 (pages 153-157) it is stated that in addition to the raw materials from Manchuria and Mongolia that are needed, Japan also must have an assured outlet for the export of her manufactured goods. As there is a growing tendency on the part of the present regions which take Japanese-manufactured articles to limit or even to put a complete stop to the importation of foreign goods, it is indispensable that "we should assure for ourselves somewhere a permanently available market for our manufactures. Now it appears that Manchuria and Mongolia answer this need best." China has made the exclusion of the Japanese in those areas one of the keynotes of her policy. Japan, therefore, found herself obliged at last to take the necessary measures for the protection of her rights.

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APPENDICES OF DOCUMENT B.

I. Tables showing supply and demand
of foodstuffs and fertilizers.

II. Various treaties, agreements,
et cetera.


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WITH REFERENCE TO CIRCUMSTANCES AFFECTING
INTERNATIONAL RELATIONS AND THE GOOD
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UPON WHICH PEACE DEPENDS

Document A

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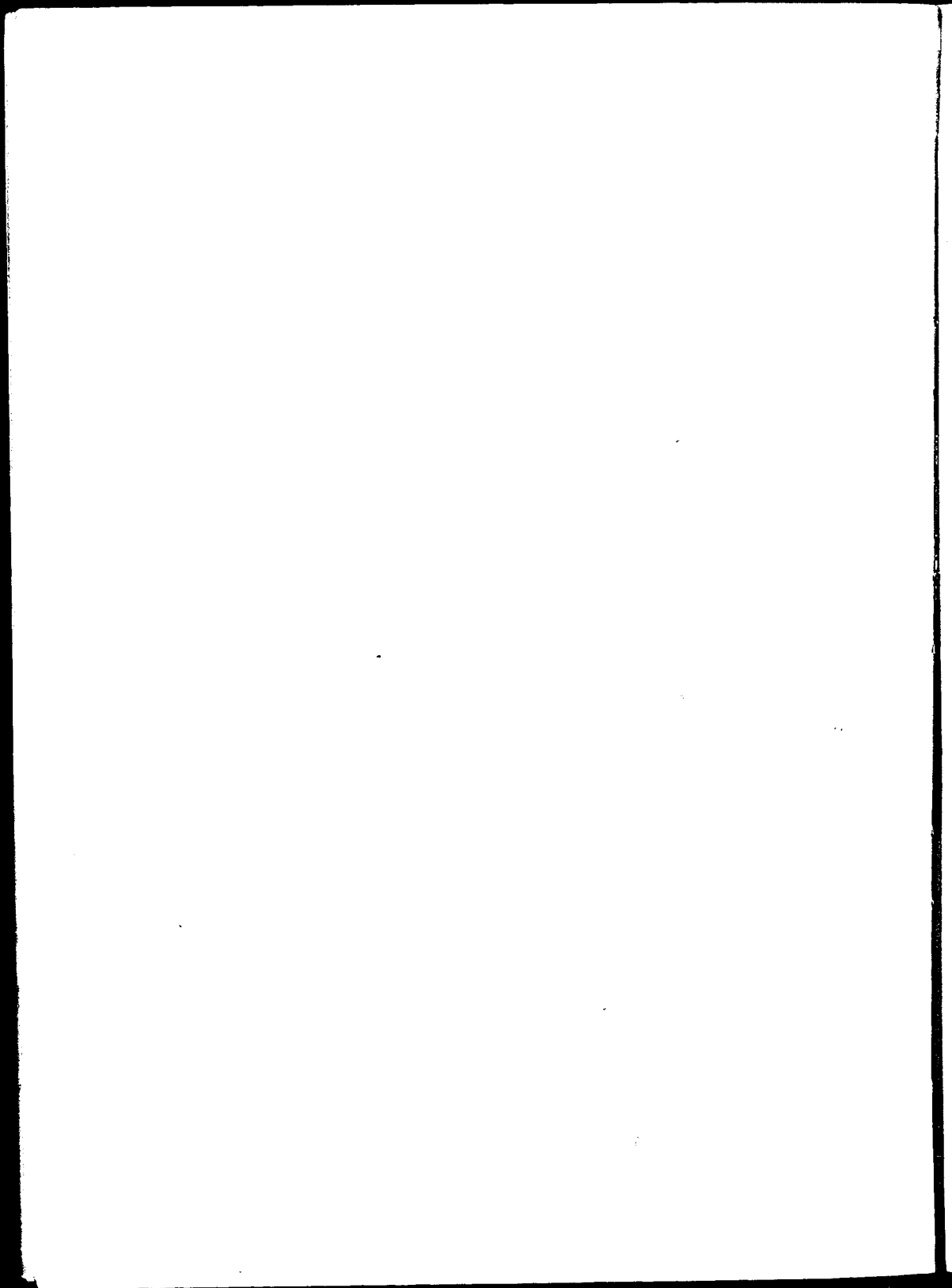
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THE PRESENT CONDITION OF CHINA

WITH REFERENCE TO CIRCUMSTANCES AFFECTING
INTERNATIONAL RELATIONS AND THE GOOD
UNDERSTANDING BETWEEN NATIONS
UPON WHICH PEACE DEPENDS

PART ONE

ANTI-FOREIGN SPIRIT IN CHINA

CHAPTER I

Spirit of Exclusion and Contempt of Foreigners the Underlying Element of Traditional Chinese Foreign Policy

§ 1—China is one of the oldest countries in the world, with a history and a culture of its own dating far back into remote antiquity. On the continent of Asia at least, for many centuries she towered high above the neighbouring countries in national strength and civilized culture. This fact has induced the Chinese people to regard all foreigners as barbarians and has placed the sentiment of excluding and despising foreigners among the marked features of their national characteristics. In fact, it is no exaggeration to say that the diplomatic history of China is a record of manifestations of this sentiment.

1
Remote origin of
China's anti-for-
eign spirit

§ 2—Not to mention earlier ages, in the XVIIth century, when Europeans visited China for the first time, China declined to open trade and intercourse with their countries, and treated them as barbarians. Not only did she refuse to accede to their wishes but repeatedly sub-

2
Treatment accord-
ed to Europeans
by Chinese Gov-
ernment and peo-
ple

jected them to harsh treatment, even to the point of murdering some of them in cold blood. It was this anti-foreign spirit on the part of China that really gave rise to the so-called Opium War fought in 1842 between China and Great Britain. In this war China sustained a humiliating defeat, and, having learned something of the power of the foreigner, was obliged to conclude the Treaty of Nanking. Subsequently she concluded similar treaties with the United States, France and other countries.

Nevertheless, the anti-foreign animus of China underwent no change whatever. As a matter of fact, China either refused to ratify treaties signed by her plenipotentiaries or offered a stubborn resistance to their enforcement. All this was due to her idea that it was shameful for her to conclude treaties at all with foreign nations on a footing of equality.

3
China twice
invaded and de-
feated by allied
armies of Great
Britain and France

§ 3—Because of the frequent maltreatments of foreigners by the Chinese, who continued to look down upon them as barbarians, England and France took up arms together against China, and inflicting upon her a crushing defeat, compelled her to conclude the Treaties of Tientsin of 1858. In spite of the severe lesson she had been taught, her anti-foreign sentiment evinced no abatement. Under one pretext or another, she evaded the enforcement of the treaties concluded, and to all protests of the countries interested she turned a deaf ear.

Among other things, the envoys of the Powers repeatedly desired to enter Peking for the purpose of presenting their credentials to the Emperor, but, obsessed with the inane idea that it was akin to sacrilege for the representatives of those barbarian lands to dare to ask for an audience with her sovereign, the more pressing the demands of the foreign envoys became, the more stoutly she refused to comply. In these circumstances some of the foreign envoys attempted to enter Peking at their own risk only to be forced half-way to retrace their steps, except a few who managed to arrive at their destination by resorting to bribery and other means. Upon their applying for an audience of the Emperor, however, they were told to *kowtow* before him as if they were his vassals, and those who refused to observe this etiquette were harshly treated by Chinese officials.

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Such being the treatment accorded to foreign diplomatic representatives, it is scarcely surprising that the provisions of the treaties were utterly disregarded. The Powers concerned lodged in succession vigorous protests with the Chinese Government, but to no purpose, the latter treating their protests as mere expressions of impudence on the part of foreign barbarians.

Eventually England and France saw no way of compelling China to carry out her international obligations but by resorting to force. In 1860 their allied army again invaded China and captured Peking. Since that time China began to appreciate more fully the danger of treating foreigners as barbarians and modified, more or less, her attitude towards them, acceding to the demands of the Powers as to the residence of their diplomatic representatives in Peking and various other matters. Nevertheless, China had no desire whatever to enter upon diplomatic relations with foreign Powers on a footing of equality. The Chinese Government detailed officials of low rank to meet foreign envoys on their arrival at Peking, and refused to arrange for any of them an audience of the Emperor unless they consented to conform themselves to the etiquette prescribed for Chinese subjects and *kowtow* before him.

For many years afterwards there was no diminution in the anti-foreign sentiment of the Chinese. It was manifested in an endless series of cases of ill-treatment and murder of foreigners, looting of foreign vessels stranded on the Chinese coast and other like outrages. Whenever such incidents took place, the foreign Powers concerned brought China to reason by a display of armed force, and they gradually succeeded in inducing her to amend her ways.

§ 4—On the other hand, the feelings of enmity and contempt which were entertained against foreigners in general both by the Chinese officials and people increased in proportion to the growth of foreign influence, until it burst forth in great fury in the form of the Boxer Disturbances of 1900. These constituted a definitely anti-foreign movement on a gigantic scale, which extended all over North China and was supported by the Dowager Empress herself and the majority of high officials. The Boxers, aided by Chinese troops, laid siege to the Legation Quarter of Peking, and in many places foreigners were

4
 Boxer Disturbances of 1900

subjected to various indignities, or murdered. Thanks, however, to the speedy and effective action of the joint forces of the Powers concerned the Chinese Government and people learned, as they had never before, how formidable was the armed power of those whom they called foreign devils.

5
No change in
anti-foreign feel-
ing of the Chinese

§ 5—Although for a long time after the Boxer Disturbances the Chinese refrained from taking any lawless action on a large scale, the anti-foreign feeling remained deep in the bottom of the Chinese heart and from time to time, whenever an opportunity offered, it showed itself in minor attacks on foreigners. In fact, the list of outrages committed by the Chinese upon foreign missionaries, merchants and travellers, which includes the notorious Lincheng Affair of 1923, is a very long one.⁽¹⁾ The so-called “rights-recovery” movement, which suddenly appeared in the wake of the Russo-Japanese War, was only another form of anti-foreign agitation.

6
Anti-foreign feel-
ing among Chi-
nese officials and
people still rife
to-day

§ 6—It is true that in recent years the better understanding of international relations on the part of the Chinese officials, the increase of civilizing influence throughout the country, the interdependent organization of modern world politics and economics, and various other factors have caused the Chinese anti-foreignism to take on a new complexion. But deep-rooted as it has been in the minds of the Chinese people since history began, it is out of question to expect it to vanish in a day. It is still the leading characteristic of the Chinese attitude towards foreigners as will be seen from the diplomatic policy pursued by the Kuomintang Government described below. China calls herself 中華民國 (literally, Middle Flowery People's State). The term 中華 meaning the most civilized country—the centre of the world—truly expresses the time-honoured Chinese conception of themselves and their country, which regards foreigners without exception as no better than barbarians.

(1) *Vide* Appendix A-2, “Table Showing Outrages Committed by Chinese on Foreigners other than Japanese in China”.

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CHAPTER II

The Occasions Liable to Call Forth into Activity the Latent Anti-Foreignism

§ 7—As already observed above, the anti-foreign animus of the Chinese is very deep-rooted and of remote origin and will not easily disappear on account of changes in environments. We must, therefore, always bear in mind that though for one reason or another it may remain inactive for a time, it is certain that it will reassert itself at any moment. What, then are the occasions likely to call it forth into activity? This question cannot be answered by generalities, but a study of Chinese history leads us to the conclusion that on the whole there are three such occasions.

7
What are occasions likely to bring about anti-foreign movements?

§ 8—The first of these three is one that appears when excessive actions on the part of foreigners excite the enmity of the Chinese against them. The Boxer Disturbances already referred to furnish an instance in point.

8
Relation between foreign pressure and anti-foreign movements

The second of the occasions in question is one that appears whenever the foreign pressure on China is on the wane. No doubt, the attitude assumed by the Powers towards China owed its origin to their legitimate desire to exploit her economic resources to the mutual advantage of both sides, but it is undeniable that once they saw the impossibility of attaining this end by ordinary diplomatic means, they, practically without exception, adopted a high handed policy in order to achieve their aim. Even though they may have refrained from bringing direct pressure to bear, their actions, backed as they were by force, proved in result no less effective than direct pressure itself would have been. Thus, except at the beginning of her intercourse with foreign Powers, China was compelled on many occasions to bow before foreign pressure. It is only natural then that, were a foreign Power

to relax the pressure of its heavy hand, Chinese feeling against that particular Power would immediately rebound and reveal itself in lawless actions against it, or in other strong measures of the sort.

During the Great War China adopted an extremely strong attitude against Germany and Austria and pursued against them so thorough-going and aggressive a policy that even before her declaration of war on them she did away with practically all the rights and interests possessed by them within her territory. Had not the German and Austrian pressure on China disappeared, she would hardly have dared to take so drastic a step at their expense.

Subsequently, in 1917, when the Soviet revolution weakened the Russian pressure on China, the latter left nothing undone to undermine the rights and interests of the former within her territory. Especially strong did she show herself in her attitude against Russia when in 1919 and 1920 the Soviet Government adopted a very conciliatory policy towards her, as was evinced in M. Karahan's declaration concerning China, promising not to repeat such aggressive and high handed measures as had been taken by Czarist Russia in the past. Instead of feeling grateful towards her Russian neighbour for this, China, as is still fresh in our memory, was so emboldened by the very act of friendliness on the part of the U.S.S.R. that she attempted by the use of force to wrest from her the only remaining right the U.S.S.R. had in China, i. e. that of administering the Chinese Eastern Railway jointly with the Chinese; and that was not long after an agreement on the subject had been concluded between the two countries.⁽¹⁾ This was the last straw

(1) The authorities of Mukden raided the Consulate-General of the U.S.S.R. at Harbin on May 27, 1929. According to the Chinese this was to arrest communists who intended to hold a meeting there. This *coup-de-main* produced nothing but a mild protest from the Soviets. This apparently weak and passive attitude of Moscow made the Chinese believe in Soviet weakness, with the result that they did not hesitate to go much further, seizing the Chinese Eastern Railway, which they had never ceased to covet. Consequently on the 10th of July in the same year, a little more than a month after the raid, the Chinese Government, contrary to the stipulations of the Sino-Soviet Convention of 1924, and without any warning, dismissed the Director and the Assistant Director of the Company, who were both under the direction of the Soviet Government. They also dismissed a large number of Russian employees, while at the same time the Chinese troops occupied the library, the post office, and the commercial establishments belonging to the Railway Company. The Moscow

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on the back of the Soviet Union. She mobilised about three divisions of well-trained troops and subjected Chinese frontier towns to bombardment, putting Chinese troops to rout. In this way China was brought to reason. By the Agreement of Habarovsk of 1929 China promised to restore the Chinese Eastern Railway to the status that had existed before the disturbance in question and to settle all minor questions at a conference to be held in Moscow.

The U.S.S.R. withdrew her troops, and eventually conditions along the frontier returned to normal. As soon as Soviet pressure disappeared, however, China reverted to her anti-Soviet attitude, and at the Moscow Conference which was subsequently held, she refused even to open negotiations on the basis of the Habarovsk Agreement. In consequence, the conference came to a deadlock and so far no settlement has been arrived at.

§ 9—The waning, or disappearance, of foreign pressure is not the only factor that calls into activity the Chinese feeling of hostility against the Powers. Friction between foreign Powers is likewise liable to become a contributing factor. For instance, the existence of such a state of things as is likely to disturb the concerted action of the Powers towards China, often tempts the latter to endeavour to accomplish her anti-foreign aims by setting one Power against another and thereby weakening their pressure.

9
 Anti-foreign
 movement utilis-
 ing friction be-
 tween Powers

After the Great War, the foreign Powers were divided roughly into two groups as far as their relations with China were concerned: one group consisting of those Powers still retaining the so-called "unequal" treaties and the other, of those which revised their treaties on terms of equality. These two groups represented by Japan, Great Britain, the United States and France on the one side, and by the U.S.S.R. and Germany on the other, were not identical in their interests. China

Government reacted against these illegal measures. Breaking off diplomatic relations with China on the 19th of the same month, the Russians occupied certain places in the Chinese territory in the neighbourhood of Manchouli and Pogranitchinaya. In accordance with the Habarovsk Agreement which China was obliged to sign, she promised to restore the *status quo ante* of the Railway, abandoning all the fruits she had obtained by her unwarranted action in July.

attempted to make use of both groups for her own advantage, by setting one group against the other and to reap as much harvest as she could from the anti-foreign agitation carried on by herself. In this attempt, however, China was disappointed on account of various circumstances then prevailing.

China, however, was more successful in her policy of setting one foreign Power against another at a later period when, after Dr. Sun Yat-sen had established an independent government at Canton in 1923, she pursued a pro-Soviet policy and thereby secured from the Soviet Union powerful support, practically equivalent to alliance, in opposing the other foreign Powers. China has also often resorted to subtle tactics of creating dissension among the erstwhile Allied and Associated Powers, taking advantage of the disharmony among them which often revealed itself subsequently to the Great War.

10
Anti-foreign agi-
tation made use
of by military
factions

§ 10—The third of the occasions is when the anti-foreign feeling is stirred up by Chinese themselves. An agitation of this sort may take place in connection with either of the above-mentioned two occasions, or may come into being for entirely independent reasons. As regards the latter case, it may be observed that the agitation is conducted sometimes for reasons of internal politics, and at other times as an instrument of diplomatic policy. Most frequently is it made use of by interested parties for the purpose of securing advantage in internal political struggles. Especially numerous are the cases in which military factions stir up anti-foreign agitation for the purpose of turning the political situation to their own advantage. Practically all the political struggles which developed in China upon the establishment of the Republic, were due to personal rivalry among militarist leaders, and were invariably accompanied by armed conflict.

There are in China a considerable number of factions which call themselves political parties. In reality they are nothing better than private cliques which depend for their existence entirely on the patronage of war-lords. Cabinet ministers, departmental chiefs and provincial governors are all appointed in consideration of their private connections with the military factions, which are supreme and dominant each in the sphere under its occupation. It may here be noted that the mili-

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tary factions referred to include not only those old military cliques as, for instance, the clan of Peiyang,⁽¹⁾ but also the groups under the leadership of Chiang Kai-shek and other newly created war-lords. For the purpose of maintaining or extending its power, each of these military cliques has very frequently circulated, fabricated or exaggerated accounts of the connections subsisting between its rival cliques and foreign Powers, so that the anti-foreign sentiment latent in all classes of the Chinese people may be aroused to the disadvantage of its adversaries.

When one examines carefully the various examples of the anti-foreign movement in China, it is seen that all may be put into one or other of the three categories which have just been studied.

§ 11—The question as to how to prevent this anti-foreign movement has been for a long time one of the principal preoccupations of the various Powers concerned. Many are the measures which have been adopted by the Powers without, however, ever obtaining any really satisfactory result.

11
Examination of
preventative mea-
sures against the
anti-foreign move-
ment

When the anti-foreign agitation is of the first category, i.e. where the movement is due to the excessive behaviour of some foreign Powers, it might be thought that the agitation would speedily disappear with the removal of the cause. Yet, since there exist to-day in China thoroughly well organised anti-foreign associations so that the smallest occurrence is immediately made by them to appear as if it were a grave incident, giving rise to a general anti-foreign movement, once such a movement is on foot it cannot possibly disappear merely on account of the cessation of the foreign behaviour which caused it. On the contrary, it generally continues its course seeking its justification in some other reasons.

In the second case, i.e. where the anti-foreign movement breaks out on account of some relaxation of external pressure, the situation

(1) The military clan of Peiyang is a group of generals such as Tuan Chi-jui (who was its leader), Wan Shih-chen, Feng Kuo-chang. Most of the members have been trained at the Military School of Paoting in the Province of Chihli. This clan was later divided into two, namely, the Chihli Clan and the Anfu Clan.

may be improved sometimes by a renewed hardening of the pressure, or by consolidating the *entente* among the Powers. Here again, however, any relaxation of the pressure might ultimately end in producing future embarrassments, and a moderate and generous policy towards China can only result in a repetition of the set-back that some of the Powers have already sustained.

As for the third category under review, that is to say, where anti-foreign demonstrations are provoked by reason of Chinese domestic politics, the movement continues in general only for so long as it is considered of any utility, then it disappears of itself.

Whatever may be the case, the most efficacious method of putting an end to outbursts of anti-foreign feeling consists in the control of the anti-foreign associations by the Chinese Government themselves, and in the enforcement by them of the respect for international usage and treaty obligations. Unfortunately it has been proved by experience that it is difficult to expect from the Chinese Government anything like complete control of the anti-foreign movement. Hence the conclusion is inevitable that recourse to measures of self-defence in urgent cases is both unavoidable and justified.

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CHAPTER III

The Nationalist Revolution and Anti-Foreign Movements

§ 12—The successful progress of the revolutionary movement of the Kuomintang greatly intensified the anti-foreign agitation, until the state of things became as bad as that existed at the time of the Boxer Disturbances of 1900. In fact, the agitation developed into a movement directed to wresting away by lawless action the rights and interests possessed by foreign Powers, with the result that the lives and property of foreigners in China as well as their various legitimate rights and interests were exposed to grave danger.

12
Nationalist Revolution stimulated anti-foreign movements to lawless action

§ 13—The Kuomintang, revived by Dr. Sun Yat-sen, and the Revolutionary Government that came into existence in 1912 through the support of that party, (the predecessor of the present Nanking Government, later re-named the National Government) adopted a policy based upon Dr. Sun's "Three Principles of the People", namely, the principles of nationality, of democracy and of socialism.⁽¹⁾

13
Foreign policy of Kuomintang Government

(1) The "Three Principles of the People" are composed of the "Principle of Nationality, or Nationalism", the "Principle of Rights of the People, or Democracy", and the "Principle of Welfare of the People, or Socialism".

(a) The Principle of Nationality has for its aim to realize the equality of races, that is, in China herself, to grant equality of treatment to the five races which constitute the Chinese nation:—the Chinese properly called, the Manchu, the Mongol, the Tibetan and the Turk; and, outside China, to emancipate China from the yoke of the imperialism of the Powers by getting rid of their influence.

(b) The Principle of Rights of the People has as its aim the practical introduction of democracy. In virtue of this principle the people would have the right of meeting, of association, freedom of opinion, freedom of

Above all, the new Government made it a motto of its foreign policy to strive, in accordance with the principle of nationality, for the emancipation of the Chinese race and the repudiation of imperialism. As declared in the programme of the Kuomintang published in 1913, its foreign policy has as its aims (1) the cancellation of all "unequal" treaties containing provisions relating, for instance, to extra-territoriality and the administration of customs by foreigners, as well as of all political influences encroaching on the sovereign right of China, (2) the recognition as most favoured nations of those Powers which voluntarily relinquish all their unilateral rights and also those which are ready to rescind treaties which encroach on the sovereign right, (3) the revision of all other treaties containing provisions disadvantageous to China, and (4) the guaranteeing and redemption of foreign loans so far as will not impose on China any political or economic losses, and the repudiation of all foreign loans secured by an irresponsible government under a President illegally elected, as was the Peking Government at various times.

In short, the foreign policy of the Revolutionary Government as set forth in their programme had as its guiding principle the rule of making friends, to the exclusion of all other countries, with nations willing to give up all their rights and interests in China. In particular, the Revolutionary Government were emphatic in declaring that it was their fundamental policy to repudiate foreign loans and "unequal" treaties without consulting the wishes and convenience of the other parties concerned. This professed policy was one of the causes that won for the Kuomintang strong support from the "Young China", and, as is mentioned in the following paragraph, it was also one of the most important causes of the support it gained from the Third International.

the press, freedom of residence and of creed, and, at the same time the four political rights, that is to say the right of universal suffrage (including woman suffrage), the right to recall officials (or the right to dismiss officials), the right of direct legislation (or the right to make laws direct) and the right to amend the laws.

(c) The Principle of Socialism is that which aims at a fundamental solution of social problems, in particular by the nationalisation of land and the control of capital.

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Chiang Kai-shek, into whose hands the reins of the Revolutionary Government fell after the death of Dr Sun, is of course far from disapproving his predecessor's policy just referred to. In fact after he secured power he went further in denouncing imperialism and in declaring himself against foreign loans and "unequal" treaties. As early as 1926, when he marched northward with the object of displacing the military factions of the North, he made a high-flown declaration in Kiangsi to the effect that if the revolution succeeded China would immediately and unilaterally cancel all "unequal" treaties. The Revolutionary Army was victorious everywhere: it marched on, and by the end of 1926 it had already made its triumphant entry into the Yangtze Valley after over-running the two Provinces of Hunan and Hupei. On the other hand, various detachments of the army, advancing north from Kiangsi defeated the army under Sun Chuan-fang of Nanking, so that the occupation of Nanking and Shanghai by the revolutionary troops seemed to be imminent. Elated by this success, the Kuomintang and its Revolutionary Government began to act with a high hand towards all foreigners living in places under its occupation, imperilling their lives and property to the utmost limit.

§ 14—In particular, in the regions under the rule of the so-called Wu-han⁽¹⁾ Government, which was upheld by the combined forces of the left wing of the Kuomintang and the communists, the activities of the Communist Party were intense, their anti-imperialistic and anti-foreign agitations becoming extremely dangerous and causing much misgiving to the Powers concerned. The most conspicuous case of violent action taken by them against foreigners was their occupation by force of the British Concession at Hankow at the beginning of 1927. This affair originated in a great popular demonstration directed by the communists. A huge crowd marched in procession into the British Concession, uproariously denouncing Great Britain and the British, and upon the British marines and volunteer corps showing

14
 Seizure by force
 of the British
 Concessions in
 Hankow and Kiu-
 kiang

(1) Wu-han is the popular name for the three towns Hankow, Hanyang and Wuchang, Wu representing Wuchang, and Han representing Hankow and Hanyang. The Nationalist Army occupied Wu-han in the autumn of 1926, and in December of the same year the Government of Canton was transferred to Wu-han.

a conciliatory attitude towards them they only became more violent and ended in occupying the Concession by sheer force. Soon after the British Concession at Kiukiang also met with the same fate.

Ostensibly the Wu-han Government had no hand in these affairs, but in reality it was an anti-foreign agitation accompanied by violence, directed and stirred up by the leaders of the Communist Party who held in their hands the reins of the Government. From this one may easily see how the Wu-han Government had no hesitation in taking whatever measures they considered likely to be effective in accomplishing their anti-foreign object. On the other hand, the Nanking Government, which was organized by the right wing of the Kuomintang and for a time was inimical to the Wu-han Government, showed themselves a little more moderate in their outward attitude towards foreigners.⁽¹⁾ At heart, however, they were no better than the Wu-han Government, the two being entirely at one in making the expulsion of foreign influence the fundamental principle of their foreign policy.

15
Policy of uni-
lateral abrogation
of treaties

§ 15—As a matter of fact, the Nanking Government from time to time proclaimed their policy of the abrogation of “unequal” treaties and promised the people to strive for the cancellation of the privileges and interests possessed by foreigners in China. In conformity with the pledge thus made to the people, the National Government declared by

(1) When the Nationalist Revolutionary Army occupied Shanghai in March, 1927, all the regions to the south of the Yangtze River passed under the influence of the Nationalist Government. It was then that Chiang Kai-shek, Commander-in-Chief of this army, who no longer had need of aid from Moscow or the support of the Chinese Communist Party, with which the Kuomintang Party had made an alliance in 1924, decided to break with the Soviet Government, as also with the communists; and he resorted to repressive measures in the same year against the communists. At this time the Nationalist Government of Wu-han being still under the domination of the communists, lost no time in expelling Chiang Kai-shek from the Kuomintang Party. Chiang, on his part, in order to resist Wu-han, founded on April 18th, at Nanking, a government which he called “National Government”. An open war between these two Governments ensued, but when the Wu-han authorities at the instigation of Chiang Kai-shek expelled the communists in July, this hostility disappeared. Soon after, the Wu-han faction adhered to the Government of Nanking, with the result that it has since become the sole and real National Government of to-day.

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an ordinance published under date of December 28, 1929, that the extraterritoriality would be abolished as from January 1, 1930, and that the national law should exclude the provisions of treaties.⁽¹⁾ Upon the Powers concerned showing a united opposition to this illegal action, the National Government sent them a threatening communication in January 1931, intimating that in case it was considered that the question of extraterritoriality could not be settled in a satisfactory manner by diplomatic negotiation before the end of February of that year, they would take whatever measures they thought fit to carry out their settled policy. At the same time they promulgated a law entitled "Regulations Governing the Lawsuits of Foreigners". In these ways the Nanking Government formally announced to the Powers concerned their determination to resort to unilateral abrogation of the treaties.

§ 16—Further, there are many pieces of evidence revealing the radical spirit which directs the anti-foreign policy of the Nanking Government.

Among these, the fact may be pointed out that on not a few occasions high officials holding responsible positions in the Government have declared how in case of necessity they were prepared to go to the length of recovering foreign concessions and leased territories by force, and how they desired the co-operation of the general public with the Government in carrying out a vigorous foreign policy.

16
 Declarations made
 by responsible
 persons in the Na-
 tional Government
 to seize foreign
 concessions and
 leased territories
 by force

(1) *Vide* Appendix A-6, "Leading Cases of Chinese Infringement of Treaties".

CHAPTER IV

Influence of the Third International on the Foreign Policy of the National Government*

17
China's anti-for-
eign movements
and the Third
International

§ 17—Some knowledge of the influence of the Third International upon the foreign policy of the National Government is very helpful to the correct understanding of recent anti-foreign movements in China. It is a well-known fact that from its first establishment the Revolutionary Government at Canton, the predecessor of the National Government, was in very close relations with the Third International. Immediately before it came into existence, Dr. Sun Yat-sen, who was then in a desperate situation, sent emissaries frequently to Russia asking for help. Chiang Kai-shek himself was one of them. He went to Russia for the ostensible purpose of inspecting the conditions there prevailing, but really in order to bring about an alliance between the Kuomintang and the Third International. The latter eventually responded to the courtship of the former making it a condition among other things that the Kuomintang should reorganize itself as a proletarian party, and that it should engage the services of Russian political and military advisers. The Kuomintang, which was then in a difficult position and was in imperative need of finding some means of extricating itself from difficulties, readily complied with the suggestions of the Third International, and re-modelled its organization and policies. Above all, the party made it one of its chief aims to come into close touch with the revolutionary elements existing among the masses. The upshot of all this was that the home and foreign policies of the party swung to the left. Especially fruitful was the party's agreement to act in concert with the Chinese Communist Party and to enroll in its ranks communists without requiring them to relinquish their allegiance to their party.

* *Vide* Appendix A-3, "Communism in China".

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In these circumstances leaders of the Chinese Communist Party at the beck and call of Borodin and other Russian advisers came to be trusted by Sun Yat-sen and to have the strongest voice in the shaping of the policies of the Canton Government, with the inevitable result that the policies of the Canton Government were not much different from those of Soviet Russia. The foreign policy of the Canton Government was also shaped after the Russian model and was directed towards the accomplishment of the object of so-called revolutionary diplomacy. In other directions also the Canton Government showed a strong leaning towards the left, so that as its influence gradually extended northward it appeared for a time as if the whole of China would be converted into communism and share the fate of Outer Mongolia. This state of things prevailed in 1926 and the following year. In fact, it was at the time when apprehension that China might be engulfed in the rising tide of communism was most keenly felt that the outrage upon foreigners at Nanking and Hankow and similar other anti-foreign incidents occurred on a large scale.

Thereupon the Third International went a step further in its assistance of the Kuomintang. To be precise, the Third International issued to the Chinese Communist Party a secret order to go forward towards the accomplishment of a Soviet revolution without waiting for orders of the Kuomintang, and to exert great efforts for (a) the confiscation of land, (b) the organization of a peasant army, and (c) the gaining over of the regular soldiers to the communist cause. The Kuomintang was alarmed. Even the Wu-han Government decided to sever its connections with the Communist Party, while the Nanking Government, which had already begun to estrange the communist elements, now definitely set its face against them. The Third International's connections with the serious rioting that broke out in Canton in December, 1927, coming to light, the Nanking Government entirely severed its relation with it and began to take very strong measures against the communists.

In this way the influence of the Third International in China suddenly collapsed, but the radical ideas of the Nanking Government, which it had imported from Moscow, continued to form the basic principle of its foreign policy. In other words, the exclusion of capitalist nations, the unilateral abrogation of treaties and debts, and the under-

mining of foreign influence in China continued to be the chief objects of Chinese foreign policy.

18
Radical anti-foreign policy of the National Government and the Third International

§ 18—Although the Third International does not exercise in China so great an influence as before, at least in outward appearance, yet in view of the Chinese situation at home and abroad, there are reasons warranting the belief that it will sooner or later resume its activity. It will not be a very difficult task for the Moscow agitators to capture the hearts of the Chinese people by dangling before their eyes such tempting baits as “assistance for anti-imperialistic movements” and the “emancipation of oppressed masses”. This is made all the easier because China has become quite radical and revolutionary, while the anti-foreign ideas deeply rooted in the mind of the Chinese people are open to communist agitators for exploitation. Should China become communist, all the capitalist nations of the world would face a grave menace. Above all, the Far Eastern interests of Great Britain, which is regarded by the Third International as its chief enemy, would undoubtedly be made the first object of attack by the communists, as might be inferred from the violent anti-British agitation which took place in China between 1925 and 1927 as well as the communist activities in India. There is no doubt that the real objective of the Third International is not confined to Great Britain, but comprises all nations which accept *régimes* other than that of communism. Meanwhile there is also every likelihood that Japan will have to bear the brunt of anti-foreign agitation directed by the Chinese Government and the Kuomintang, although these severed their connection with the Third International in 1927. For, as a result of the repeated experiences of conquest at the hand of powerful neighbours which China has gone through since ancient times, it has become a second nature with the Chinese to regard a powerful country in their immediate neighbourhood as a potential enemy. Japan, besides being a neighbouring country, has so much to do with China concerning a great many political, economic and diplomatic affairs. However, that Japan will not remain the only country to be attacked by Chinese anti-foreignism is easily perceived if one follows attentively the programmes of the Kuomintang as explained above.

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CHAPTER V

Students' Rôle in the Anti-Foreign Agitation*

§ 19—The fact that students play a very important rôle in the anti-foreign agitation is one of the reasons why these movements are characterized by violence. It was upon the establishment of the Republic that students began to participate generally in these movements. In fact, at the beginning of the new *régime*, anti-foreign agitation was invariably stirred up and directed by student bodies, the people in general being dragged by them into the turmoil, so that for a time it was erroneously believed that anti-foreign movements were synonymous with student agitation. Subsequently, owing to the influx of the influence of the Third International, workers and peasants replaced students in playing the principal rôle in popular movements, students being relegated to the position of supporters or advisers. After the Kuomintang became a directing body of anti-foreign movements, the rôle of students further diminished in importance. Nevertheless students still continue to play the part of advisers in instructing the masses in ways and means of carrying out anti-foreign movements, and they pose as heroes fighting actively on the front line of the movements.

Except in a few local cases, student bodies generally did not show at the outset sufficient ingenuity in the matter of establishing connections among themselves, nor, again, in the method of carrying out various programmes. But after the organization at Shanghai in 1919 of a federation of all the student bodies in China, a systematic control came to be well established, so that their headquarters are now in a position to give orders with the confidence that they will be obeyed and put into effect at once throughout the country. In the circumstances, it is not surprising that the Kuomintang pays much attention to the utilization of student bodies.

19
 Students' rôle in
 the anti-foreign
 agitation

* Vide Appendix A-5, "Anti-Foreign Education in China".

20
Special position
occupied by stu-
dents in China

§ 20—In this connection, it may be worth while to refer to the position occupied by students in China, which is quite different from that of students in other countries. To come to particulars, politics and political power were for many centuries monopolized by the class of *literati*. This age-long usage made the general public look upon students, who form part of that privileged class, with respect and expectation. In consequence, any voices raised by student bodies used to find response on the part of the populace. Upon the establishment of the Republic, China opened the doors of learning to people of all classes, and the special class of *literati* automatically disappeared, so that the respect paid to students by the general public naturally dwindled as compared with by-gone days. Nevertheless, the traditional feeling is sufficiently preserved to give students a position of leadership among the masses.

Inexperienced, simple-minded and hot-headed as they are, Chinese students take readily to revolutionary and radical methods, the more so since in recent days they have been trained and directed by the Third International in mass movements. Only a short time ago in connection with the dispute between Japan and China concerning the Manchurian Incident, an infuriated group of students attacked and inflicted bodily injuries on Dr. C. T. Wang, the Minister of Foreign Affairs, and compelled him to resign. On several occasions they have also occupied Government buildings and expelled Government officials. These occurrences show how radical and violent Chinese students' movements are, and what adverse influence they exert on peace and the good international understandings.

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CHAPTER VI

Universality of China's Anti-Foreignism

§ 21—The programme of the Kuomintang above referred to makes it plain that China's anti-foreignism has as its objective all foreign nations and that it is not confined to any particular countries. As long as foreign nations do not give up all the privileges and interests they possess in China, they will always be in danger of being made the object of attack. This fear is justified by the series of acts of violence that were perpetrated against foreigners throughout China subsequently to the conflict of Chinese masses with the police force of the Municipal Council which took place at the International Settlement in Shanghai on May 30, 1925, when the Chinese organized an anti-foreign demonstration on a large scale.⁽¹⁾

21
China's anti-foreign movements will be directed against all foreign nations

§ 22—China is well aware of the difficulty and disadvantage of attacking all foreign nations at one and the same time. It is, therefore, usual with her to tackle one or two selected nations, leaving the rest for the time being unmolested. As a matter of fact, in connection with the disturbance of May 30th above referred to, the Kuomintang instructed the student bodies and others to concentrate their attack upon the British, and the high officials of the Revolutionary Government of Canton also did not hesitate to endorse publicly a similar line of action.

22
Great Britain chosen as exclusive objective of attack after the May 30th Incident

It might be argued that this was due to the instigation of the Third International, and that things are different to-day. But the

(1) On the 30th of May, 1925, a collision took place at Shanghai between a group of students and the Municipal Police of the International Settlement. Many of the participants were killed or wounded. This incident quickly resulted in an anti-British movement which was of unprecedented scope, lasting until 1927. In order to commemorate this "Incident of May 30th", the Chinese now keep the day every year as a "National Humiliation Day".

Peking Government of those days, which did not see eye to eye with the Soviet Union, also issued instructions similar to those issued by its opponent Government at Canton. The provincial authorities and anti-foreign bodies in North China were told that the British alone were to blame for the incident, no other countries having anything to do with it, and that if the people were to rise against all the foreigners without discrimination, it was to be feared that the foreign countries would unite against China. These instructions had their desired effect and a violent anti-British agitation ensued, resulting in the complete suspension of British trade in China, a grave menace to the lives and property of British residents as well as to British rights and interests, and, finally, the forcible seizure of certain British Concessions.

23
Liberal policy of
Great Britain to-
wards China

§ 23—Prior to this, namely, in December, 1926, Great Britain proposed to the Powers which participated in the Washington Conference to moderate their attitude towards China, while she herself unconditionally agreed to the levying by China of the special surtax on the customs duties as decided upon at the said conference. She did not stop there and in January the following year, she intimated China of her readiness to make the greatest concession in the settlement of pending questions between the two countries.

24
Great Britain
obliged to send
troops to China
for protection of
lives and property
of British resi-
dents

§ 24—China was in no mood to appreciate the goodwill and generous attitude thus shown by Great Britain, and responded to them by aggravating the anti-British agitation until at the end of January, 1927, Great Britain was obliged to send troops to China. The situation was further aggravated, culminating in the serious rioting of March 23 of the same year at Nanking, which was planned and carried out by Chinese regular troops and directed against the foreign consulates and residents. Much damage was suffered by the Japanese, British, Americans and French, and as it was impossible to cope with the situation by ordinary diplomatic means and also as it was necessary to avert the immediate danger, the British and American warships that happened to be on the spot opened fire on Nanking. On account of this incident, the previous anti-British agitation developed into a movement against

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Great Britain and the United States and subsequently into one against all foreign nations. On April 3 of the same year, the Japanese Concession at Hankow was attacked and looted by Chinese mobs. On this occasion, however, the Japanese marines took up a determined attitude and repulsed the attack and thus saved the Concession from falling into the same fate as befell the British Concession. Subsequently similar outrages against the Japanese occurred in rapid succession at many places, endangering their lives and property. Many of them were obliged to withdraw either to Shanghai or to their native country.

§ 25—As a consequence, the Japanese Government considered it necessary to send troops to Shantung for the protection of the Japanese there against the National Revolutionary Army then on their northward march. This move on the part of Japan further stirred up the anti-Japanese agitation, which reached its climax in May the same year when Chinese troops clashed with Japanese troops at Tsinan. From that time forward, the anti-foreign activities of the Chinese have exclusively been directed against Japan, their campaign against British and Americans having been temporarily dropped. This is by no means due to any absence of intention to annoy the latter Powers: it is due to her realization of the fact that it is both difficult and inexpedient for her to meet many opponents at the same time, because it will only serve to unite them. Besides, she is now too much occupied in dealing with Japan to devote much attention to other countries. We may safely predict that once the aim of the anti-Japanese movement is attained, the Chinese will lose no time in directing their activities against the rest of the Powers in succession.

25
Japan's despatch of troops to Shantung turns the general anti-foreign movement into the anti-Japanese agitation

CHAPTER VII

Anti-Foreign Education

As anti-foreign movements have become very systematic and extensive in China since the establishment of the National Government, the anti-foreign programme of that Government will be the principal theme of the following paragraphs. In that programme, the first head to be considered is the education and training directed to the cultivation of an anti-foreign spirit, and the efforts directed to the popularization of anti-foreign movements.

26
Methods of cultivating anti-foreign ideas

§ 26—Anti-foreign education and training is given in schools and elsewhere by the following means.⁽¹⁾

In schools, children are taught from text-books containing anti-foreign material. On the occasion of school anniversaries and of regular or extraordinary meetings of students, teachers and students alike deliver inflammatory speeches aimed against foreigners.

For the education and training of organized bodies of workmen, the headquarters of the Kuomintang despatch representatives charged with the duty of inciting workmen to boycott foreign goods or to go on strike against their foreign employers. There have also been formed anti-foreign organizations of workmen with representatives of the Kuomintang as the directing spirit, and these are constantly employed to foster an anti-foreign sentiment in the minds of workmen.

Besides the above, there is yet another noteworthy activity which has been, and is, at work to keep the anti-foreign spirit alive among the Chinese masses. This is the anti-foreign education of Chinese peasants. Formerly Chinese peasants were entirely indifferent to politics; they remained peacefully engaged in their arduous work as long

(1) *Vide* Appendix A-5, "Anti-Foreign Education in China".

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as they were not molested. When the Communist Party and the Kuomintang joined hands, the Kuomintang became engrossed in the more tempting problems of politics, leaving the communists in charge of apparently dull questions concerning the peasants. The communists seized the opportunity to organize in many localities peasant associations under the guidance of the Third International, and through these organs a great many Chinese peasants were deeply inoculated with anti-capitalistic and anti-foreign ideas. In 1927 or thereabout the communists, by mustering rural followers, actually organized a sort of peasant army, and through a clever exploitation of their mass psychology encouraged anti-foreign movements based upon force.⁽¹⁾

The Kuomintang also exerted great efforts in fostering anti-foreign sentiment among its troops. Each company of these troops had attached to it representatives of the party, whose duty was to train the soldiers on the basis of the "Three Principles of the People" and to maintain connections between the troops and the party. These party representatives were heartily assisted in their work by younger officers of the Nationalist Army, practically all of whom were trained at the Whampoo Military Academy, an institution in which the highest importance was attached to anti-foreign education. It may be worth noting that the said academy at Whampoo, Canton, was founded by Sun Yat-sen in 1922, and had as its object the training of officers, but differed from an ordinary military school in that it taught side by side with military science, such subjects as the history of foreign aggression in China, the history of the Russian Revolution, the "Three Principles of the People" and the history of the French Revolution. All these were compulsory subjects of study and the hours devoted to political training were longer than those given to military education. In addition to this, a majority of the teachers consisted of members of the left wing of the Kuomintang, communists and Russian officers headed by General Galen. Little more is needed to indicate the mentality of the young officers trained in this school towards foreigners in general.

§ 27—It goes without saying that this persistent and systematic cultivation of anti-foreign ideas in Chinese minds must exercise a very

(1) *Vide* Appendix A-3, "Communism in China".

27

Cultivation of
anti-foreignism
and its bearings
on international
relations

serious and far-reaching influence on China's relations with foreign nations. Above all, inasmuch as Chinese children are now being impressed with anti-foreign ideas in kindergartens and primary schools, one must be prepared to meet a still stronger anti-foreign spirit in the Chinese of the next generation. To make matters worse, the text-books compiled by the National Government for the use in primary and intermediate schools for the purpose of cultivating anti-foreign ideas contain gross misrepresentations of China's neighbours, and paragraphs exhorting their young readers to view foreign nations as enemies and to wreak vengeance upon them for alleged wrongs done by them to China. It is hardly necessary to dwell on what unfortunate effects such a method of education will have on the peace of the world.

28
Establishment of
"National Humi-
liation Days"

§ 28—One of the means resorted to in order to keep the anti-foreign spirit alive is the establishment of what are called the "National Humiliation Days". Such days, which are many, and which the people at large are required to observe like ordinary national holidays, are intended to recall to the minds of the people various conflicts which China has had with foreign nations, and to arouse their narrow patriotism and anti-foreign spirit. To cite the more noteworthy of the "days":—January 3rd is the anniversary of the forcible recovery by China of the British Concession at Hankow in 1927, and is intended to reinforce Chinese aspirations for the recovery of rights and privileges from foreign nations. May 3rd is devoted to the commemoration of the Sino-Japanese conflict at Tsinan in 1928. May 4th commemorates the anniversary of the attack made by students on the residence of Tsao Ju-lin, a statesman who was considered to be *Japanophil*. This outrage took place in connection with the Paris Conference of 1919. To make a display of dissatisfaction with the attitude of the Powers in regard to the Shantung question, a general anti-foreign agitation, with Japan as its chief objective, broke out under the direction of a body of students of the University of Peking and led to the commitment of acts of violence. There are many more "days" such as May 30th, which is observed in memory of the May 30th Incident of 1925 which was described elsewhere; the "Shameen⁽¹⁾ Incident Commemoration Day" to keep in mind the Sino-

(1) Anglo-French Concession at Canton. *Vide* page 43.

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British clash at Canton in 1925; "Wanhsien Incident Commemoration Day" for another which occurred in Szechuan Province the following year, when British warships recovered a British steamer from the hands of Chinese troops in the course of an anti-British demonstration; and "1901 National Humiliation Day" in memory of what China had to suffer as the result of the Boxer Disturbances of the preceding year.

All these memorial days were established regardless of the causes of the incidents in question or the foreign Powers involved, but simply for the purpose of prejudicing the Chinese people against those countries which ventured to quarrel with China. As a consequence, the Chinese resort to every conceivable means to excite the anti-foreign spirit of the people on these days. For example, meetings are held in various localities at which inflammatory speeches are delivered, the speakers never hesitating in the least to exaggerate and distort facts; demonstrations by students, workmen and others are organized; anti-foreign posters are displayed at conspicuous spots, and anti-foreign handbills are widely distributed. On every occasion on which any serious trouble occurs in the future between China and foreign nations, another "National Humiliation Day" will be added to the Chinese calendar to be observed with anti-foreign demonstrations, speech-making and other like activities.

§ 29—Thus, inoculated with anti-foreign ideas from childhood, and having been dinned into their ears so many "National Humiliation Days", the Chinese people will have little opportunity of acquiring a correct understanding of international relations. It is really to be feared that the spirit of international co-operation, which is one of the basic ideas of the League of Nations, can not be appreciated by them at all, with the result that they will ever constitute a grave menace to international good understanding and peace.

29
Alarming prospect

CHAPTER VIII

Disregard for Treaties as a Means of Excluding Foreign Influence*

30
Disregard for treaties as a means of excluding foreign influence

§ 30—It has already been stated that the foreign policy of the National Government is chiefly based on one of the "Three Principles of the People", and is anti-foreign and anti-imperialistic. But being bound by many unilateral treaties, beginning with the Anglo-Chinese Treaty of Nanking of 1842, China finds many obstacles in the way of putting her nationalistic principles into effect. Accordingly, she is determined to accomplish swiftly her object of excluding foreign influence by the unilateral abrogation of all existing treaties. In particular, with regard to extraterritoriality, she has attempted to abolish it, without consulting the views of the foreign Powers concerned, but by the promulgation of the ordinance of December 28, 1929, and of the "Regulations Governing the Lawsuits of Foreigners" in 1931; and took a similar step in the matter of Maritime Customs.

Furthermore, she attempted to invalidate treaties by a perverted interpretation of their texts. For instance, China at one moment declared the Sino-Japanese and Sino-Belgian commercial treaties invalid, in spite of indisputable provisions to the contrary. Again, in spite of the treaty stipulation that an open port should cover the whole of the city or town opened to foreign trade, China insisted that the term did not extend to the native quarters of the city or town in question. Further, in spite of the treaty stipulations providing for unconditional concession of mining rights, China abridged these rights by enacting a law providing for the State ownership of deposits of iron ore and also by inserting obstructive clauses in the mining laws. There are many similar instances of Chinese evasion of legal provisions.

* *Vide* Appendix A-6, "Leading Cases of Chinese Infringement of Treaties" and "Relations of Japan with Manchuria and Mongolia", Part II, Chapter III.

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§ 31—China's attempt at a unilateral abrogation of treaties, and her denial or abridgement of foreign rights and interests by perverted interpretation of treaties are all part and parcel of her anti-foreign policy. In recent years, such instances of disregard for treaty obligations have occurred with great frequency in Manchuria and Mongolia, inflicting heavy losses upon Japan, who is most vitally interested and possesses many treaty rights and interests in these regions. This has greatly disturbed the good understanding between Japan and China. The following are brief accounts of the more noteworthy of the instances in question:—

31
Instances of disregard for Sino-Japanese treaties

§ 32 1. *Repudiation of the Sino-Japanese Treaty Respecting South Manchuria and Eastern Inner Mongolia:*⁽¹⁾

32
Repudiation of the Sino-Japanese Treaty of 1915 respecting South Manchuria and Eastern Inner Mongolia

The Sino-Japanese Treaty of 1915 is a *bona fide* agreement lawfully concluded between the two nations after negotiations extending for several months subsequently to January, 1915, and participated in by the plenipotentiaries of the two Governments.

The treaty provides (1) for the right of Japanese to lease land and to enjoy liberty of residence in South Manchuria and of carrying on agricultural enterprises jointly with Chinese in Eastern Inner Mongolia, (2) for an extension of the term of the lease of the Kwantung Territory and of the term of operation of the South Manchuria Railway, (3) for a preferential right in favour of Japanese capital for loans needed in the construction of railways, (4) and for a preferential right in favour of Japan in regard to loans to be raised on security of taxes in the two regions, and in regard to the engagement by the Chinese Government of foreign advisers and instructors. Of these rights, Japan voluntarily resigned all the above-mentioned preferential rights at the Washington Conference so that what remains now are those concerning the economic development of South Manchuria and Eastern Inner Mongolia as also those concerning the leased territory of Kwantung and the South Manchuria Railway.

Even these economic rights are shared by Japanese with nationals

(1) *Vide* Appendix A-4, "Present Condition and Validity of the So-called Twenty-one Demands".

of all Powers which enjoy the position of the most favoured nation in respect of China. These rights constitute a basis for affording facilities for the economic development of Manchuria and Mongolia by people of all countries and for converting these territories into a region where they can live in peace and prosperity.

In no treaty concluded with a foreign country since the Treaty of Nanking had China ever consented to insert a clause permitting foreigners to reside and engage in business in places outside the open ports. But the Sino-Japanese Treaty of 1915 keeps the whole of South Manchuria open to foreigners, and in addition has opened up Eastern Inner Mongolia to foreign exploitation, provided the undertaking is agricultural and jointly managed by foreigners and Chinese. In this way, thanks to this treaty, though local in scope, foreigners have at last secured the right to reside and engage in business in the interior of China, which had kept her doors firmly closed for centuries.

Again, though the territory of Kwantung was not opened to foreigners for residence and business before it was leased to Japan, she threw it open to foreigners in general, making it a "free territory". As to the South Manchuria Railway, it goes without saying that it is the heart and soul of the economic development of Manchuria and Mongolia, besides forming part of the trunk line of the international traffic. All persons who have ever visited South Manchuria are agreed that the South Manchuria Railway Zone is provided with excellent administrative, sanitary and other modern institutions, and furnishes a safe and comfortable abode to Japanese and foreigners in these regions.

But entirely ignoring the fact that every one of these treaty provisions and the conditions resulting therefrom benefit Japanese and foreigners, and Chinese most of all, China regards Japan's position in Manchuria and Mongolia with scant favour and insists on the invalidity of the treaty, advancing the argument to the effect that China was compelled to conclude it under duress. It is a fact, however, that in securing the conclusion of the treaty Japan never brought pressure to bear upon China to act against her free will and that the latter approved the above-mentioned provisions without any great *démur* from the beginning of the negotiations.

In any case, if the argument that a treaty is invalid for the reason

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that one of the contracting parties brought more or less pressure to bear upon the other holds true, a great many, if not all, treaties in force in the present day world will become invalid. In fact, there could be no objection whatever to be raised, in view of the circumstances under which Japan was obliged to return to China the Liaotung Peninsula, once ceded to her as a result of the Sino-Japanese War, if Japan turned China's contention to her own advantage and claimed the territory to be her own. Japan has not taken that stand, believing that it is absolutely necessary for the maintenance of international peace to respect at whatever cost treaties once concluded.

§ 33 2. *Obstruction to the Exercise of the Right to Lease Land:*

33

Obstruction to the
 exercise of the
 right to lease land

The provision in the Sino-Japanese Treaty of 1915 concerning the right to lease land is one aimed at the opening up of Manchuria and Mongolia for exploitation by all foreigners without discrimination. But insisting on its invalidity, China has issued Presidential Mandate within one month after the conclusion of the treaty, to the effect that a Chinese land owner who leases or mortgages his land to foreigners shall be regarded as a traitor plotting against the interests of the State, and shall be executed or otherwise severely punished without open trial. District magistrates and other local officials were also given secret instructions to put obstructions in the way of the leasing of land by foreigners, as will be seen from the description given in the "Relation of Japan with Manchuria and Mongolia".

§ 34 3. *Obstruction to the Exercise of Mining Rights:*

34

Obstruction to the
 exercise of mining
 rights

By virtue of the treaty, Japanese have the right to exploit mines along the main line of the South Manchuria Railway and the Antung-Mukden Railway jointly with Chinese; and also certain designated mines in the Provinces of Fengtien and Kirin.

However, not only are there many instances of the Chinese Government authorities having rejected without justification applications filed by Japanese in conjunction with Chinese for permission to work mines, but also of their having for very flimsy reasons cancelled permissions already possessed by Japanese. Furthermore, in recent days they have

often caused the local authorities to obstruct the exercise by Japanese of their rights, and have even gone to the length of sending police or troops to close mines worked by Japanese.

In addition, the Industrial Bureau of the Province of Fengtien issued in 1927, a proclamation to the effect that all mining industries were to be undertaken by the co-operation of the Government and people—an act of a piece with the obstructions put in the way of the leasing of land by foreigners. In regard to the rights over the designated mines, the Chinese Government refused in most cases to carry out their promise and did not hesitate to grant permission to Chinese to work the same mines, with a view to excluding Japanese from the enterprise.

Instances of unlawful acts of the Chinese concerning Japanese undertakings in the field of the various branches of manufacturing industry, forestry and so forth, are too numerous to be cited.

35
Disregard for
treaties, conven-
tions and agree-
ments in respect
of railways in
Manchuria and
Mongolia

§ 35 4. *Disregard for Treaties, Conventions and Agreements in Respect of Railways in Manchuria and Mongolia:*

In conducting anti-Japanese agitation in Manchuria and Mongolia, the Chinese laid the greatest emphasis on obstructing and crippling the operation of the South Manchuria Railway Company in order to render futile the existence of this concern, which is one of the chief interests Japan possesses in those regions. In 1905 China promised Japan not to construct any line likely to come into competition with the South Manchuria Railway. The statement in question was entered in the protocols of the Sino-Japanese Conference which was held at Peking that year. It ought to have been inserted in the text of the treaty, but in compliance with the wishes of the Chinese Government it was not made public in the form of a treaty stipulation. Thus, though the stipulation is not in treaty form, it is equally binding on the two countries.

36
Provision prevent-
ing construction
of parallel line to
South Manchuria
Railway

§ 36—This undertaking on the part of China was communicated by Japan to the Governments of Great Britain and the United States in strict confidence at the time it was made. The following is the English translation of the undertaking as recorded in the protocols:

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

This stipulation affords no ground for equivocation, but China did not hesitate to disregard it completely.

§ 37—For instance, in 1907 China concluded an agreement with the Pauling Company, a British firm, for a loan of the capital necessary for the construction of a railway between Hsinmintun and Fakumen, and later on China frequently attempted to take similar steps in contravention of the pledge given as above. On each occasion Japan strongly protested, and the circumstances indicated clearly that the Powers concerned approved, either directly or indirectly, Japan's contention.

37
Numerous instances of China's disregard of the stipulation

However, China continued to scheme for the construction with foreign aid of a railway parallel to the South Manchuria Railway, until in 1925 she announced her plan for the construction of a line between Tahushan on the Peking-Mukden Railway and Tungliao in the north, and completed it in 1927 in defiance of Japan's repeated protests. A glance at the map is sufficient to convince anybody that this railway is competitive to the South Manchuria Railway. It is the intention of China to extend this line further northward as far as Taonan and then to construct a line connecting a station on the Taonan-Angangchi Railway, one of the railways built with Japanese capital, with the Sungari basin, surveys of part of the projected line having already been completed. If the Tahushan-Tungliao Railway is extended according to this project, its significance as a competitive line with the South Manchuria Railway will greatly increase in importance, for there is every likelihood that goods coming from the districts to the west and the north-west of the South Manchuria Railway will be intercepted.

Furthermore, China built the Kirin-Hailung Railway in 1927 to the east of the South Manchuria Railway. Originally, the construction of this railway was reserved for Japanese capital by virtue of notes

exchanged between Japan and China in 1918 concerning the four railways in Manchuria and Mongolia. Entirely ignoring this agreement as well as the strong protests by Japan, China constructed it and was planning to connect it with the Mukden-Hailung Line, and eventually with the Peking-Mukden Railway, so that all these might form a system enveloping the South Manchuria Railway on the east. She was also planning to extend it northward to the Amur valley.

Not satisfied with the above-mentioned two trunk lines, enveloping the South Manchuria Railway from east and west alike, China further planned to encircle our railway from the north by constructing a line between Kwanchengtze, the terminus of the Chinese Eastern Railway, and Changchun, the terminus of the Kirin-Changchun Railway, with a view to cutting off the connection of the South Manchuria Railway with its important feeder from North Manchuria, viz. the Chinese Eastern Railway, and to diverting goods and passengers from North Manchuria to the Kirin-Changchun Railway and thence, via Hailung and Mukden, to Chinwangtao, Yingkow or Hulutao.

In short, China has since 1925 been applying pressure on the South Manchuria Railway from the three sides of east, west and north. Furthermore it must be noted here how China has been making arbitrary use of several railways built with capital advanced by Japan as means of accomplishing her plan to injure the interests of the South Manchuria Railway.

For the purpose of expediting the economic development of Manchuria as well as of facilitating the collection of goods for its own line, the South Manchuria Railway Company frequently advanced much capital, lent excellent technicians and otherwise provided facilities to China and enabled her to build several important railways. The first of these includes a line between Ssupingkai on the South Manchuria Railway and Taonan (including a branch line connecting Chengchiatun with Tungliao) and another between Taonan and Angangchi, and the second comprises the line between Kirin and Changchun and another between Kirin and Tunhua. To provide the capital for building all these lines, the South Manchuria Railway Company had advanced to China as much as 140,000,000 yen, (including arrears of interest). In return for this help, China used these lines as a weapon for attacking the South Manchuria Railway. Speaking of the Tahushan-

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Tungliao line, China connected it with the Ssupingkai-Taonan line at Tungliao on that line and effected connection with the Ssupingkai-Taonan and Taonan-Angangchi lines. Against this unjust arrangement, the South Manchuria Railway Company protested, especially against the connection at Tungliao of the line with the Ssupingkai-Taonan and Taonan-Angangchi lines, but to no purpose. Again, as to the competitive lines of the South-Manchuria Railway in its east, namely the Kirin-Changchun and Kirin Tunhua lines, which were built with Japanese capital, China acted in the same way as she did with the Tahushan-Tungliao line.

It is true that there exists no stipulation to the effect that railways built with capital advanced by Japan shall not be connected with other Chinese railways, but the fundamental motive of the South Manchuria Railway Company for obliging China with loans was to use the lines built with such loans as feeders of its own line. This was well understood by both parties while the negotiations concerning the loans were in progress. The fact that this understanding was arrived at almost simultaneously with the conclusion of the agreement for the loans, as well as the fact that the South Manchuria Railway Company accorded to these lines special assistance and facilities are sufficient to afford proof that these Chinese lines were intended to co-operate, but not to compete, with the company's lines. However, not only did China ignore all these understandings and use the lines as rivals to the South Manchuria Railway, but she ignored the very terms of the agreement concerning the loans, by paying neither capital nor interest. In regard to the Taonan-Angangchi line, and for that of the Kirin-Tunhua line she even went the length of refusing to give bonds to the South Manchuria Railway Company for the loans advanced for their construction.

§ 38—In connection with China's bad faith concerning railways, another instance should be noted, concerning the construction of the Kirin-Hueining line between Kirin and Hueining, a frontier town on the Korean border. As early as 1909 an agreement was arrived at between Japan and China for the construction of this line, and incorporated in the Chientao Agreement concluded in that year. A dispute was in progress at that time between the two countries as to the territorial

38
Disregard of
railway construc-
tion contracts

right over Chientao, which was settled through Japanese acquiescence to China's contention. In return, Japan obtained *inter alia* the right of investing capital in the above-mentioned railway. China was quick to take the benefit of her side of the bargain, but she was in no hurry to fulfil her obligation. In other words, she entirely shelved the construction of the railway in question; and when in 1918 a concrete agreement for its speedy construction was concluded between the two countries, China received from Japan all too willingly a part of the necessary capital, but appropriating it to other uses, she again failed to construct the line. In this way, China twice betrayed Japan after taking her portion of the bargain. A new agreement for the construction of a part of the railway, namely, the Kirin-Tunhua line, was concluded in 1927, and that work was duly completed in the following year. In 1929 a contract was concluded between the South Manchuria Railway and the Peking Government for the construction by the former of the extension of the line from Tunhua to Hueining. But China was in no mood to fulfil the contract, and when pressed by the South Manchuria Railway to put it into effect she invariably gave evasive answers, and ended by refusing to construct this line at all offering as an excuse the popular anti-Japanese feeling, which she herself had instigated.

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CHAPTER IX

Boycott of Foreign Goods as a Means of Excluding Foreign Influence*

§ 39—A feature of Chinese anti-foreignism displayed in lawless action is the boycott of foreign goods.

It has been very frequently resorted to as one of the most common means of coping with diplomatic difficulties. Great Britain, the United States, Japan and France have all been successively victimized.

The boycott movement against American goods in retaliation for the exclusion of Chinese emigrants from the United States, various movements of similar kind against Japan beginning with that which followed the Tatsu Maru Affair, and the movement against British goods, which was extremely violent from the May 30th Incident of 1925 to the Nanking Affair of 1927, are the most conspicuous of these events. Considered from the point of view of damage done, the boycott movement has the tendency of growing more extensive in scope with the lapse of years. This is accounted for by the fact, that through experience the Chinese have learned to manipulate it more and more cleverly and the bodies organized for carrying it on have, for all practical interests and purposes, become permanent institutions throughout the country.

In order to understand the situation it is enough to take a glance at the anti-British movement which extended from 1925 to 1927 and the anti-Japanese movement which has continued since the Tsinan Affair.

§ 40—In carrying out these movements the Kuomintang, as headquarters of the movements, led and directed the whole country in a systematic and uniform way, while anti-foreign organizations acting

39
 Chinese manipulating boycott more effectively and extensively year after year

40
 Direction by headquarters of Kuomintang and how boycott is carried out

* Vide Appendix A-7, "Anti-Foreign Boycotts in China."

under them in various places played, so to speak, the part of executives. To mention some of the methods employed by them: they issued, individually or jointly, arbitrary rules, prohibiting the sale and purchase, storage, transportation and so forth of the foreign goods concerned, with the result that bargains already struck had to be cancelled, goods not paid for had to be returned upon delivery, and all daily transactions, wholesale or retail, were forcibly put a stop to. Goods in stock were inspected by agents of the anti-foreign organizations and their sale and purchase was forbidden.

Any persons violating the above rules were mercilessly treated, had the goods in question confiscated, were heavily fined, imprisoned or subjected to the indignity of being dragged about the streets for public exposure. In some extreme cases, proclamations were issued announcing that such persons would be summarily executed as traitors.

The boycott movements were originally started for the purpose of preventing the importation of foreign goods. In recent days they have developed into the exclusion of foreign merchants and industrial undertakings as well. Not only do the leaders of the boycott movement forbid dealings in foreign goods, but they also prohibit the sale of Chinese goods to merchants of the country against which it is directed, and transactions with factories managed by persons belonging to that country, even hindering Chinese workmen from working in their factories.

41
Boycott movements threaten even the livelihood of foreigners

§ 41—In some cases the agitators have gone even further so as to offer a grave menace to the very livelihood of foreign merchants. There are many instances in which they have coerced Chinese clerks and servants in foreign employ to leave their employers; and in one instance they committed the inhuman act of taking away from a newly-born infant its Chinese wet-nurse. There are also many cases in which they put foreigners in a sorrowful plight by forcing Chinese house-owners to demand the evacuation of houses let to them, and by cutting off the supply of provisions.

42
Economic reasons of boycott movement

§ 42—Formerly boycott movements owed their origin to political causes, but it is noteworthy that of recent years economic causes have

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also come to play a part in bringing them about. In other words, China has made them a means of protecting her industries, hoping to reap therefrom better fruits than high tariff walls can bring forth. It is to be expected that in proportion to the growth of economic competition with industrial nations which may be expected as a consequence of the development of her new industries, China will come to believe more and more strongly in the benefits of boycott movements against foreign goods by means of unlawful actions. Accordingly, the development of capitalistic enterprise in China will make the economic activities of all foreign nations in China very difficult or even impossible to carry on. If unfortunately this conjecture becomes a fact, it is certain that gravest repercussions will be felt throughout the world.

CHAPTER X

China's Anti-Foreignism and Her Utilization of a Third Power

43
Anti-foreign
movements by aid
of a third Power

§ 43—Besides means within her own resources, such as boycott movements and the disregard for treaties, China is accustomed to resort to another method of making her anti-foreign movements effective. It is the tactics, known as that of "setting barbarians against barbarians" or "near enemies and distant allies", which has played so prominent a part in Chinese foreign policy. With remarkable frequency has China adopted this method in her dealings with foreign nations ever since she entered into diplomatic relations with them in the middle of the XIXth century. Sometimes she set France and Russia against Great Britain, at another time Japan and Great Britain against Russia, and at yet another time the United States against Japan. Indeed such instances are quite numerous. In the long run, this policy acts like a boomerang. Nevertheless, China likes to play the game often with very disastrous results to herself.

At the time of the second invasion of China by the combined armies of Great Britain and France in 1860, the Peking Government invited the intervention of Russia, with the result that she had to cede to the latter the territory which is now known as the Maritime Provinces.

Again, at the close of the Sino-Japanese War, China agreed most willingly to the proposal of intervention by France, Germany and Russia, but it ultimately resulted in the scramble by these Powers for "leased territories".

In spite of such serious blunders committed in the past, China still continues to consider this policy the best for attacking difficult diplomatic problems. On such occasions, it is usual with her to do all she can to win over to her side whatever nation she thinks best suited for her purpose and never to relax her opposition to the nation from whom she is estranged. Accordingly, as long as the third party acts, no matter

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whether intentionally or not, in a way considered to be advantageous to China, she will continue to attack her opponent, and the settlement of dispute will be delayed. Conversely, if the Powers were to take the attitude of on-lookers and give China no cause to hope for any assistance from them, the settlement of affair would be expedited.

There is no doubt that the attitude taken by the members of the Council of the League of Nations in regard to the present Manchurian difficulty were animated by a sincere desire to settle the dispute between Japan and China in a peaceful manner. Frankly speaking, however, China interpreted it as an expression of goodwill, or support towards herself, of the Powers other than Japan whose representatives compose the Council, and has been endeavouring to turn it to account by her traditional tactics. As it has been frequently declared, Japan has no territorial designs on Manchuria and Mongolia, much less on China Proper, and the measures she has taken in connection with the incident have been inspired by no other aim than the protection of the lives and property of Japanese subjects, and her treaty rights and interests, as well as insuring to all foreigners the opportunities to pursue legitimate business in China in peace and security.

CHAPTER XI

China's Anti-Foreign Movement and Her Masterly Propaganda

44
Innate skill of
Chinese as propa-
gandist

§ 44—Chinese are born propagandists. One of the things that most attracts the eyes of a foreign traveller visiting Chinese towns and villages is the costly and well-designed sign-boards and posters which adorn the entrance to every shop. There is a famous Chinese phrase which, literally translated, runs: "White hair thirty-thousand feet long". It is used for visualizing the long flowing grey beard of an old man. The phrase, however, should not be taken as a mere figure of speech. It is a specimen of exaggeration characteristically Chinese. No harm is done to anybody by this kind of innocent exaggeration, but the trouble is that the Chinese do not hesitate to exaggerate and distort facts when so doing serves their own purpose. Instances of this kind of their propaganda may be cited *ad nauseam*. To give one of the latest examples, a U.P. despatch was circulated to the effect that the American steamer President Madison, while passing off Woosung on her way to Shanghai on February 8, 1932, was fired upon by Japanese troops. Investigation was made at Shanghai by Japan to find out whether the report was true, and upon inquiries being made at the U.P. news agency, it was ascertained that the telegram sent stated that the steamer in question was fired on at the spot referred to by Chinese troops. We are led to conclude that the Chinese telegraph office wilfully tampered with the telegram in question.

The following quotation from a speech made in Parliament by Sir Austin Chamberlain, British Secretary for Foreign Affairs, on January 26, 1927, in regard to the despatch of British troops to China, well shows how skilful and shrewd is Chinese propaganda:

"The anti-British cry was taken up by the powerful Nationalist Party, which has its ramifications throughout China and through all Chinese communities abroad. It is undoubtedly a most dangerous factor in our relations with China at this moment. The cry

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has been used to arouse the fury of mobs against us, and it remains to be seen whether the Government, which now claims to represent the Chinese Nationalist Party, is willing and able to control this mob element in so far as its activities affect our relations with the Chinese people.

"The event of 1925 provided the anti-British propagandists with just the kind of material they required. At Shanghai there is a great international settlement governed by an elected municipality, which was at that time presided over by an American citizen. This municipality has its own police force. In consequence of the outbreak of mob violence, the police were forced to fire on the crowd. The British Government had, and to-day have, no control over that police; but the fact that the police were commanded by British officers was seized upon by the propagandists to represent the incident as an act of British aggression. In the same way, when an armed procession of Chinese, or armed men mingling in a procession of Chinese, opened fire on the Anglo-French Concession at Canton and the troops in the Concession were obliged to fire in self-defence, the fact that a part, though only a part, of the force were British was seized upon as material for further anti-British propaganda.

"The extremely friendly and considerate attitude of the British Government towards China, as shown at the Washington Conference and on many other occasions, was brushed aside. A boycott of British goods was put into force throughout China and, long after the boycott had ceased in the North, it was continued at Canton, which was the center of the influence of the Nationalist Party, claiming to represent Chinese nationalism.

"The Nationalist Government at Canton has now extended its authority to Central China, and with it has spread the current of anti-British agitation. This agitation broke out in an extreme form at Hankow on January 3. Inflammatory speeches were made by a member of the Nationalist Government, by Borodin, their chief Russian adviser, and by others, and, as a consequence, a large and threatening mob attempted to break into the British Concession. For a whole long afternoon they were kept at bay by a handful of British marines, whose admirable discipline and self-

control under the most trying circumstances merit all the praise that we can bestow. They were pelted with bricks and they had justification for firing in self-defence. But they did not fire. Some of them were knocked down and injured and, in the course of bayonet charges necessary to rescue them, two Chinese were injured. The statement that Chinese were killed is not true.

"It was clear, however, that the mob could not be held back indefinitely, except by opening fire on them, and there can be no doubt that such action would have led to an attack in force on the British Concession, and to a massacre of British subjects, many of whom were outside the Concession and living in Chinese territory. On January 4 and January 5 the rioting continued. The Nationalist troops undertook to keep order, but they, too, were unable to preserve order without firing on the mobs, and this they would not do.

"It was in these conditions that, by an act of singular self-restraint and great moral courage, sooner than provoke a bloody conflict, the British authorities upon the spot evacuated the Concession and left the Chinese in possession. There can be no doubt that this mob violence was designed to provoke the British forces to fire on unarmed Chinese and to lead to an incident such as would have aroused all China and have further fed the flames of anti-British feeling.

"The propaganda train was all prepared, already laid, and even a respectable body like the professors of Peking University have lent their name to the calumny that Chinese were killed during those riots by British marines. That is not true. Every one knows in Hankow that it is not true. The Nationalist Government itself knows that it is not true, and in its latest declaration has tacitly admitted that not a single Chinese was killed. The seizure of the British Concession was an outrageous and unjustifiable attack on the long-established rights of a peaceful British community. It was followed by a similar outrage at Kiukiang. It was clear that there was no guarantee for the safety of British lives in Chinese cities under the authority of the Nationalist Government in the present revolutionary state of affairs. Another incident might lead to bloodshed, and it was equally clear that the British forces on the spot were insufficient to afford protection to British

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subjects.

"It was obvious that, with the advance of the Nationalist forces on Shanghai, similar danger might threaten the large British community residing there, and the immense interests which British enterprise has built up in that city. Further, whereas the comparatively small British communities at Hankow and Kiukiang could be evacuated in an emergency to Shanghai, there could be no such speedy evacuation of the far larger British population in that city. I do not say—I am far from saying or wishing you to think—that the threat of bloodshed and massacre hangs over Shanghai. I hope and believe that it does not. But it would be a clear dereliction of duty on the part of His Majesty's Government, to whatever Party they might belong, after what has passed at Hankow, to leave the British at Shanghai without effective protection.

"We must have a force there sufficient to protect them if danger arises, and if such armed force is sent at all it must be equal to the calls that might be made upon it. His Majesty's Government, therefore, decided, as a precautionary measure, to send troops to China for the protection of the British community at Shanghai. The composition of the force is itself a guarantee that it is only intended for strictly defensive purposes. I hope that no occasion will arise for its use. There is no intention on our part to hold Shanghai if we can obtain satisfactory assurances that what has happened at Hankow will not be repeated there. The military movements, therefore, which fill our papers, and supply them with pictures for their picture page are all a precaution, a necessary precaution, and nothing but a precaution.

"His Majesty's Government will not be deflected from their policy of patient conciliation, nor will their efforts to reach satisfactory agreements with the Chinese authorities in any degree slacken or cease. On the contrary, I heartily welcome and I reciprocate the desire expressed in the recent declaration by the Nationalist Minister for Foreign Affairs for a settlement of treaty and other cognate question on the basis of economic equality and mutual respect for each other's political and territorial sovereignty".

CHAPTER XII

China's Anti-Foreign Movements as a Means of Retaliation and as an Instrument of Her Policies

A study of the history of anti-foreign movements in China reveals that at the beginning of the opening of the country to foreign intercourse, they originated in her contempt of foreigners, but along with the gradual expansion of foreign influence, both political and economic, in her territory, she began to use them as a means of retaliation or of expelling foreign influence. This is especially true since the establishment of the present National Government, who have used it as the most effective weapon at their disposal in their so-called anti-imperialistic and race-emancipation campaign, outrages at the expense of foreigners having been committed in rapid succession.

45
Powers' attitude
towards National-
ist movements

§ 45—The attitude of the Powers towards China has been almost always friendly. They jointly and individually declared their readiness to extend to her as much assistance as possible to enable her to accomplish the legitimate aspirations of Chinese people. This intention of the Powers was clearly expressed on the occasion of the Washington Conference and on that of the Tariff Conference at Peking.

46
China's national
movements are re-
volutionary

§ 46—On the part of China, however, little appreciation of the Powers' friendship has been evinced. Of recent years the Nationalist movements in China becoming extravagant and revolutionary, her anti-foreignism has developed into threats and forcible actions, regardless of treaties and traditions, and in utter contravention of international law and usage. It is clear that she was bent on taking any and every measure, short of acts of armed hostility, for accomplishing her aim

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of expelling all foreign influence from the country. The Chinese Government can not evade responsibility for the violent anti-foreign movements, as they are directed or instigated by the Kuomintang, which is identified with the Government themselves.

In the Final Peking Protocol concerning the Boxer Disturbances of 1901, China promised to punish those Chinese who joined anti-foreign organizations with death, and also pledged herself that if another anti-foreign disturbance should take place, or treaties be infringed upon, the local authorities would certainly settle the case, and that any who should fail to do so would immediately be dismissed. The existing commercial treaties also provide for an obligation on the part of China to protect the lives and property of the people of treaty Powers in China. But to-day as China does not carry out these promises and obligations, the above-mentioned protocol and treaties are no better than a dead letter, and the lives and property of foreigners in China are exposed to the gravest danger whenever any disturbance breaks out.

The recent anti-foreign movements in China, sponsored by the Kuomintang, are really acts of hostility adopted as an instrument of national policy, and are considered to be at variance with the spirit of the League of Nations as well as of the Anti-War Pact.

§ 47—The Powers used to adopt a very moderate attitude towards anti-foreign movements in China, not going beyond lodging verbal or written protests with the Chinese Government. This has only emboldened China to act against them with greater violence.

47
 China emboldened
 by Powers' moderate attitude

But we must distinguish the legitimate aspirations of Chinese people from the unlawful anti-foreign movements. Were we to extend our sympathy with the former to the latter and overlook those unjust and illegal acts of hostility against us, the sacred character of treaties would disappear, and the very foundation of international peace be shaken at its very root.

CHAPTER XIII

Illegality of Boycott*

48
Illegality of boy-
cott

§ 48—The nationals of countries which have concluded treaties with China, such as Great Britain, America, France, Italy, Japan, etc., enjoy, in virtue of those treaties, rights of trade, of residence and of economic activity in China. But the exercise of these rights is thwarted by the actions of the anti-foreign societies. This constitutes not only an intolerable breach of treaty but also a grave insult to the countries involved.

The rules arbitrarily drawn up by the anti-foreign societies, though they are applied to the Chinese only and not to foreigners, violate the treaty stipulations regarding the liberty to trade, to reside and to carry on economic activities accorded to the foreigner. It is only common sense that the Chinese Government ought to take the necessary measures, as far as may be possible, to prevent these arbitrary rules.

49
Refusal of the
Chinese Govern-
ment to assume
responsibility for
the boycott

§ 49—Nevertheless, the Chinese Government, claiming boycott to be a patriotic movement, declare themselves incapable of preventing it. That is only a piece of far too exaggerated sophistry. To say that the Government are not responsible for acts of violence committed by the people with the object of preventing the exercise by foreigners of their rights which the same Government have promised by treaty to protect, is in flagrant contradiction with international law and usage which govern the relations between States.

When the Chinese Government are told that the direction of boycott is in the hands of the Kuomintang, which is absolutely one with themselves, the Government contend that they have no responsibility for the acts of the Kuomintang because the connection between the Govern-

* *Vide* Appendix A-7, "Anti-Foreign Boycotts in China."

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ment and the party is one of a political and not of a juridical character.

This contention on the part of the Chinese will not stand a most casual examination of the connection between the two organizations. We have here an imitation of the explanation, not devoid of ingenuity, offered by the Soviet Government when they disclaim responsibility for the "bolshevizing" procedures of the Russian Communist Party and the Third International, both, according to them, different entities from the Moscow Government, and endeavour to render in this fashion nugatory the clause in treaties which provides for the prohibition of communist propaganda within the territories of the signatory Powers.

Among the recent anti-foreign movements there are, it is true, some which are in reality popular movements and have no connection with the Government, such as for example the incident of May 4th of 1919. Others had their origin in the popular desire, but they were later turned to account by the Government authorities, as for instance the incident in the month of January, 1927, which enabled China to seize the British Concession in Hankow. Others take place at the initiative of the Government, or the Kuomintang, the people only joining in later, such as, for example, the anti-Japanese movement of to-day.

In all these cases the anti-foreign movement served the Chinese Government as a means of maintaining power or of making headway against internal conflicts by skilfully turning the people's attention to foreign affairs.

This accounts for the failure of the Powers, in assuming a moderate attitude of counting upon the Chinese Government to put an end to these anti-foreign movements, except in those very rare cases where the Government could not afford to remain indifferent for quite special reasons of their own. Such being the case, for the protection of their own important rights and interests, there can be no other course open to the Powers than to undertake the task themselves by exercising the right of self-defence. As a matter of fact, there are not a few instances, in which Powers, placed in such a position, have adopted such a measure.

CHAPTER XIV

Effects on Japan of the Anti-Foreign Movements in China

50
General description

§ 50—As has been stated, the anti-foreign movements of China are directed against all foreign nations. But so far Japan and Great Britain are the two countries singled out to be victims of the most vigorous agitation. Of these two, it is Japan which has been most frequently assailed. This is because Japan and China, whose territories are conterminous, have the most complicated and delicate relations in respect of political and economic questions, as well as in respect of the question of national defence.

Losses suffered directly or indirectly by Japan through China's anti-Japanese movements are too numerous to be cited here, and the instances of anti-Japanese demonstrations, distribution of anti-Japanese handbills, stone-throwing at or attack on Japanese dwelling houses, shops and factories, intimidation of or violence against Japanese women and children, etc., are legion. Due to such a state of things prevailing throughout the length and breadth of China, a great many Japanese residents have been obliged to give up their business. On many occasions, they hid themselves in the inner recess of their houses, or fled to Japanese-owned public buildings to escape from the violent hands of Chinese mobs. Often they were forced to leave their homes or business premises in order to seek shelter or return to Japan. Such people have been financially dealt such a heavy blow, or so severely disheartened, as to incapacitate them to restart their business. There are even not a few extreme cases of unfortunate individuals, who have lost all their capital and means of subsistence. In places where foreign Concessions exist, Japanese residents may take refuge in them, and in open ports along the Yangtze and the sea coast they may rely on the protection of the Japanese Navy. But not only is such protection inadequate, but it stops at best only at securing their lives and property from violent

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action of Chinese mobs, and can do nothing to prevent their losses arising from the suspension of their economic activities and other causes. As for Japanese living far away in the interior, entirely helpless as they are against menaces from Chinese masses, their desperate plight may well be imagined. Since anti-foreign movements have recently occurred nearly every year, and have continued for fairly long periods, it goes without saying that the adverse effects they have had on the residence and business of Japanese in China are of extremely vast proportions.

For many years in the face of all provocation, Japan remained unruffled, patiently bearing all the indignities inflicted on her, wishing simply to preserve her friendship with her neighbour and peace in the Far East, and hoping that some day the Chinese would come to sense. Her Government authorities were hard put to it to keep the national indignation against China under restraint and did their best to prevent any act of retaliation by Japanese, which might injure the relations between the two countries. For instance, it is a well-known fact that on the occasion of the Nanking Affair, although the Japanese Consular officials and many Japanese, who had taken refuge in the Consulate building, were subjected to indescribable violence and insult, and everything in the premises was looted by Chinese mobs, Japan patiently refrained from taking any retaliatory action. The Japanese bluejackets on guard at the Consulate offered no resistance to Chinese troops, and Japanese warships that happened to be at the scene of the trouble fired not a single shot. Such forbearance on the part of Japan was due to her hope that some day China would mend her ways. In this hope, however, Japan was quite disappointed. Not long after the Nanking Affair, the Chinese repeated anti-Japanese acts, such as an attack on the Japanese Concession at Hankow, exposing the lives and property of Japanese in China to greater danger day by day. This danger became particularly imminent when, having captured Nanking, the Nationalist Army began to march northward on the flood-tide of victory. For fear that the Japanese in North China and Manchuria might be forced to share the fate of their compatriots at Nanking and Hankow, and to lose all the economic foundations they had built up after many years of labour, and with the only purpose of forestalling any such eventualities, the Japanese Government despatched troops to Shantung in May,

1927. It was a necessary measure of self-defence. As soon as the situation improved the Japanese Government withdrew the troops; but the situation having become strained once more the following year, they were compelled to send them again. Their withdrawal was effected without delay, on this occasion, too, as the conditions returned to normal. In the present state of things in China, measures of this description are simply unavoidable. In fact it is exactly for the same reason and purpose that Japan has lately despatched troops to Manchuria and Shanghai.

Lately China has been carrying on a propaganda that Japanese in the regions under their control have never had their lives and property imperilled. This is not true, as may be proved by many items of indisputable evidence. Even though direct attack on Japanese lives and property might be stopped by Government measures, the circumstances have not been altered in which, under the menace from the Chinese masses, Japanese in China are incapacitated from pursuing business and other legitimate activities. The direct losses caused to their lives and property are only part of the problems awaiting solution.

51
Damage caused
by the Chinese
boycott

§ 51—A word may be added as to the material losses caused by Chinese boycott of Japanese goods. The first anti-Japanese boycott took place in 1907 on the occasion of the "Tatsu Maru" Incident, the second in the following year. But since these boycotts took place in comparatively limited areas, and as their organization was not extensive, the results were not serious. On the other hand, the anti-Japanese movements since 1915 extended all over China, even to Chinese colonies in the Malaya, Dutch Indies, South Seas Islands, etc., and were more systematically and skilfully carried out, causing considerable losses to Japan. For example, during the boycott in the year of 1915, exports to China decreased by more than 21,000,000 yen, in comparison with the exports of the previous year, when the total rose to 140,000,000 yen. At the time of the campaign against Japanese goods in 1923, the exports decreased by 61,000,000 yen, as compared with the 330,000,000 yen of the preceding year. Again, the boycott of 1927 caused a decrease in Japanese exports to China of about 90,000,000 yen. Though it is as yet impossible to obtain figures, the effect on Japanese trade of the present anti-Japanese boycott, which has been on foot since 1931, is far more serious as may be readily inferred from what is stated in the following paragraphs.

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§ 52 *The Anti-Japanese Boycott Following the Manchurian Incident:*

A. General Aspect

Following the outbreak of the Wanpaoshan Affair, a systematic boycott movement against Japanese goods was launched at Shanghai and its vicinity, which showed a tendency towards spreading to the rest of the country. Subsequently to the Incident of September 18th, a similar movement occurred in the Peiping-Tientsin district, and was zealously carried forward. Only in Shantung few lawless actions were taken by Chinese, and not much change was observed on the surface.

In the Yangtze Valley, things rapidly assumed an ugly aspect. On September 22, the existing "Anti-Japanese Society of Shanghai for Extending Support to the Chinese Abroad" took the new name of "Fight-Japan and Save-the-Nation Society". The General Federation of Postal Workers, and the students' and the businessmen's organizations sent petition after petition to the Government recommending strong measures against Japan. Telegrams were sent to various centres of the country urging the people to rise and carry out boycott of Japanese goods. Furthermore, the agitators declared China's complete severance of economic relations with Japan, framed a thorough and systematic plan for ousting Japanese goods and shipping from China, and by threatening Chinese merchants who were opposed to their movement, compelled them to discontinue their financial dealings with Japanese. At the same time, a scheme was drawn up for the seizure and an economic blockade of the various Japanese Concessions. At Hankow, similar measures were taken, while Nanking, Wuhu, Ichang, Chungking, Chengtu and Hangchow followed suit by organizing anti-Japanese patriotic societies one after another. Alarming conditions prevailed in all the provinces along the Yangtze, with Shanghai and Hankow as centres. Meanwhile, in cities of South China, such as Foochow, Amoy, Swatow and Canton, the local headquarters of the Kuomintang led the boycott movement by adopting methods similar to

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A. General aspect

those resorted to in the Yangtze Valley. In particular at Hongkong and Kowloon, beginning on September 25, outrages against and the murder of Japanese were committed and the situation remained very grave for some time.

The boycott movement in the Yangtze Valley and South China was further intensified with the progress of events in Manchuria and on account of the attitude of the League of Nations towards the Manchurian question. In the Peiping-Tientsin district, where after the disturbance in Tientsin the popular feeling had been running high under the surface, the situation suddenly took a change for the worse. Students started an anti-Japanese movement, raised their voices for an immediate declaration of war on Japan, and proceeded in large parties to Nanking to urge the Government to take this drastic action. Besides these, Nanking was flocked with students from various parts of China clamouring for a declaration of war and an economic blockade against Japan. Thus, the movement has gone from bad to worse throughout China, except in Shantung where an outward calm is maintained through the suppressive measures taken by the provincial authorities, and in Manchuria, where our troops are present. It may be added that at Hongkong the movement has become subterranean after the disturbances of September.

Chinese abroad, among whom little anti-Japanese spirit had been noticed previously, began to be active after the outbreak of the Manchurian Incident. Among the Chinese colonies in foreign countries, anti-Japanese agitations first appeared at Bangkok and Singapore, and subsequently extended to Rangoon and Batavia. But thanks to the control exercised by the local Government authorities, they did not grow serious except at Singapore and Rangoon. In North America an agitation against Japanese occurred at Vancouver at the end of September, obliging some Japanese merchants to suspend their business, while at San Francisco Chinese businessmen put up an exhibition of samples of Japanese goods to further the boycott of them, and at Chicago an anti-Japanese demonstration was held by Chinese residents. Many Chinese communities abroad sent telegrams to the Nanking Government urging them to declare war on Japan, and a great number of Chinese have returned home.

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B. Methods of Operation

B. Methods of operation

As for the methods of operation resorted to for carrying out anti-Japanese agitations, rules had long been established for boycotting Japanese goods, providing for registration of Japanese goods, collection of registration fees, issue of transit licences for them, inspection and confiscation thereof, collection of funds for promoting national industries, holding of anti-Japanese meetings and demonstrations, propaganda by telegraphic messages and handbills, etc. After the outbreak of the Manchurian Incident, these rules were revised and expanded besides being made much severer. It is now prescribed that Japanese goods shall be called the "enemy goods"; that show rooms shall be established for exhibiting home-made goods side by side with Japanese goods; that Chinese shall not buy or sell Japanese goods; that they shall not take passage on board a Japanese vessel, or seek accommodation in a Japanese hotel; that they shall not use Japanese banknotes, nor keep deposits in a Japanese bank but shall withdraw all deposits from Japanese banks; that they shall not put advertisements in Japanese papers, or associate with Japanese; and finally that they shall pledge observance of these rules by their family members, relatives, friends and all.

As executive measures, the rules provide that propaganda parties shall be organized for holding meetings, posting placards and distributing handbills against Japanese; and intelligence bureaus shall be established for collecting and disseminating information concerning anti-Japanese movements. Furthermore, with a view to the severance of economic relations with Japan, the rules provide for the investigation of particulars of Sino-Japanese economic relations, namely, those of Japanese imports and Japanese goods in stock and their sale conditions; of Japanese factories, firms and shops; of Chinese employed by them; of business conditions of Japanese banks and shipping concerns; of transportation of Chinese goods to Japan; of Chinese substitutes for Japanese goods; etc.

As for the disposal of imported Japanese goods, Chinese merchants possessing them in stock are compulsorily required to register them within a fixed term and the goods are to be sold at public auction

by the "Fight-Japan and Save-the-Nation Society". For preventing import of Japanese goods, parties of inspectors organized for the purpose are to keep watch at important junctions of traffic or are authorized to raid suspected houses. They are also authorized to examine goods to ascertain whether they are Japanese or not. Again, according to the rules, Chinese who refuse registration of Japanese goods in their possession, or who import and sell them in secret, are to be dealt with as "wicked merchants", and to be called "traitors". They are to be fined, or dragged along the streets, or confined in a cage for public exposure and ridicule, while the goods in their possession are to be confiscated and sold at public auction, the proceeds being appropriated towards the expenses of the anti-Japanese organizations or war funds.

To oust Japanese goods from the market, Chinese substitutes for them, or the methods of manufacturing them are to be made known among the people at large. As for the export of Chinese goods to Japan, that of raw material is prohibited. No food stuff needed by Japanese residents is to be supplied to them. Against Japanese factories, firms, shops or private houses, their Chinese employees are required to go on strike. Those disobeying any of the prohibitions or requirements mentioned above are to be treated and punished as traitors.

The establishment of these rules has made the boycott movement against Japanese systematic and uniform throughout the whole of China. They became especially authoritative owing to the enforcement of the punishments prescribed, and jeopardized Japanese trade and enterprises in China to an unprecedented degree. At Shanghai and Wuhu, Chinese landlords, who had let houses to Japanese, were often threatened, and in South China, Japanese residents were intimidated by telephone that they would be killed and their houses be burnt. As for cases of stone-throwing, or abusive language hurled, at Japanese, they are too numerous to be cited. In fact, for fear of their very lives, many Japanese were forced to withdraw from Hangchow, Chengchow and other cities and towns along the Yangtze.

C. Participants in
the movements

C. Participants in the Movement

After the outbreak of the Manchurian Incident the local anti-Japanese organizations assumed as in Shanghai the name of "Fight-

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Japan and Save-the-Nation Societies," and took the lead by organizing, among others, "Anti-Japanese Volunteer Corps" whose members were to receive military training. Not only the General Federation of Postal Workers of Shanghai, which is a powerful leader of anti-Japanese movements, but student bodies, hitherto prohibited by the Nanking Government from taking part in such movements, have joined in the fray, and the Federation of Chambers of Commerce of China has also come out declaring itself in favour of rupture of economic relations with Japan. Every section of the nation has been mobilized to boycott Japanese goods under the direction of the leaders of the Kuomintang, students and workmen being in many cases coerced to take part in the agitation. There is no doubt that throughout China wherever anti-Japanese movements are in progress, the headquarters of the Kuomintang are their highest authority responsible for their organization and control, and judging from the relations between the Government and the party, the Government authorities have much to do with these movements. Only the Government authorities avoid showing themselves at the front as much as possible, making it difficult to secure concrete evidence of their connections with the movements. But the fact that police often arrest and fine Chinese who buy Japanese goods, that regular Government soldiers are found among the members of anti-Japanese organizations, and many other pieces of evidence leave no doubt as to the Government's collaboration with the Kuomintang.

It may be mentioned that in not a few places, merchants are opposed at heart to the boycott movement directed by the Kuomintang and anti-Japanese organizations and virtually stand aloof. In certain places conflicts between chambers of commerce and the local headquarters of the Kuomintang have become quite apparent. The latter insist on boycotting Japanese goods at all cost, while the former, opposing to those methods which entirely ignore fundamental economic principles, advocate a more rational procedure, with the result that a rift has come to appear between them.

A conspicuous feature of the anti-Japanese movement raging at present is the participation of students in great force and the violent nature of their conduct. They carry on their activities, in some cases not going to school at all, making speeches, advocating a declaration of war on Japan, or marching to the Government offices in large parties

to press the authorities to action. They have exposed cases of misappropriation of funds by leaders of the Kuomintang and of their scandalous connections with merchants, denouncing them for such acts and often resorting to violence. In consequence, certain anti-Japanese patriotic associations have been reorganized by order of the General Headquarters of the Kuomintang, so that they should act in conformity with the party's established rules.

D. Control by
Chinese Govern-
ment authorities

D. Control by Chinese Government Authorities

Whenever the anti-Japanese movement assumed alarming aspects, Japan lost no time in sending warnings to the Chinese Government, and in case any illegal or unjust act was done, she immediately took steps to protest against them. In particular, prior to the present trouble, Japan had asked the Chinese Government authorities through her diplomatic and consular officials in various centres to take proper measures to protect local Japanese residents and control illegal actions on the part of Chinese. In fact, Japan had approached the provincial authorities of Shantung, of the Peiping-Tientsin district, of certain provinces along the Yangtze and of the Province of Kwangtung with practical suggestions as to the methods of control. Except in Shantung, however, these authorities did not go beyond offering lip service, and took no positive and effective measures on the plea that anti-Japanese movements were patriotic movements and could not, therefore, be suppressed. While it is true that after the Manchurian Incident the National Government issued instructions to provincial authorities concerning the protection of lives and property of Japanese, it is also an undeniable fact that not only have the Government failed to exercise any effective control over the boycott movement against Japanese goods but have actually encouraged it directly or indirectly.

E. Effects on
Japanese inter-
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E. Effects on Japanese Interests

The present boycott movement against Japanese goods has been carried out in utter disregard of economic principles. For instance, not only transactions in Japanese lumber have been entirely suspended, but

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also has American timber been rejected for the simple reason that it was handled by Japanese merchants. Matches have been seized for the simple reason that their material is Japanese. The following paragraphs give an account of the effects on Japanese residents, trade, financial and business enterprises, and shipping industry under respective heads, and also effects on Chinese, as well as foreign trade and shipping.

1. *Japanese Residents*

In the course of the present anti-Japanese campaign the Chinese have attempted to expel Japanese residents from China besides boycotting Japanese goods. In numerous cases Chinese servants in the service of Japanese were forced to take leave, and Japanese were cut off the supply of food and other daily necessities. Moreover, they were subjected to stone-throwing, abuse, threat and even murder. From many parts of China Japanese have been compelled to flee for safety or to withdraw altogether to Japan. For instance:

(a) At Tientsin: Japanese wholesale trade have come practically to a stop. The volume of retail business decreased by 50 to 60 per cent, while the number of Chinese out-patients visiting hospitals under Japanese management dwindled to half of its former number.

(b) At Shanghai: as a means of embarrassing Japanese residents, the local anti-Japanese society adopted the vicious measures of stopping the sales, retail or wholesale, of rice and fuel to them. A number of Chinese dealers in rice doing business with Japanese were attacked, and held in detention so that in a certain section of the city it became impossible for Japanese to obtain these daily necessities. Cases of members of the anti-Japanese organization having obstructed supply of provisions to Japanese from Chinese merchants are too numerous to be cited.

(c) At Hangchow: the import and transportation of Japanese goods were absolutely prohibited. Those in stock at various Chinese shops were sealed up, or confiscated, by the local anti-Japanese organization; and dealers who dared to break the prohibition were punished. The local Chinese banks have suspended transactions with Japanese,

and all the Chinese inns refuse to give accommodations to Japanese. Inspection of Japanese goods is persistently continued. These oppressive measures have rendered it practically impossible for the Japanese residents to stay in the city.

(d) At Soochow: transactions between Japanese merchants and Chinese customers have gradually become difficult. In some cases the supply of milk and traffic service are refused to Japanese.

(e) At Wuhu: after October 7, the local headquarters of the Kuomintang have led the agitation, preventing Chinese from taking passage on board a Japanese vessel, or consigning goods to it, compelling Chinese compradors and servants in service of Japanese shops to retire, and destroying Japanese goods by fire. In schools Japanese teachers are ostracized and the Japanese language course has been abolished. There have been cases of Chinese soldiers breaking into Japanese residences.

(f) At Hankow: the atmosphere is permeated with an intense anti-Japanese spirit, transactions of Japanese merchants with Chinese having completely come to a stand-still, the landing of freight from Japanese ships and the transportation of Japanese goods near the wharf being the only work which may still be undertaken. Confiscation of Japanese goods handled by Chinese is the order of the day, and all Chinese in Japanese employ, such as compradors and clerks, except house-boys and amahs, have left.

(g) At Ichang: stones were thrown at the local Japanese primary school, residences of Japanese employees of the Nisshin Kisen Kaisha, the Japanese Naval Club and the Japanese Consulate. Gates of the residences of employees of the above Japanese shipping company were damaged, and the gate of a Japanese hospital was nailed up from the outside.

(h) At Chengtu: owing to threat by the local anti-Japanese organization, Chinese shops dealing in foreign goods ceased to replenish their stock with the result that shortage of supply has caused a 30% rise of their prices.

(i) At Foochow: since October 6 all Japanese merchants have suffered large losses, except dealers in machinery and cotton fabrics. Dealers in coal have been most severely hit, their business having decreased to as low as one fiftieth of the normal volume. Next to them,

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dealers in marine products and bananas have heavily suffered, and even dealers in miscellaneous goods, who have suffered comparatively little, have lost three quarters of their business.

(j) At Wenchow: the Japanese residents were deprived of the service of their Chinese employees, even of cooks and house-boys. Ultimately, finding themselves without food and in danger of their very lives, all of them withdrew to Keelung, Formosa. The warehouses belonging to Japanese merchants were attacked, and their care-takers imprisoned. The damage done to the goods stored in these warehouses was enormous.

(k) At Yunnan: a mass anti-Japanese meeting was held on October 3. During a demonstration that followed, some of the local Japanese merchants had their shops wrecked by mobs consisting in part of Government troops.

Besides the above-mentioned, there were all over China a number of Japanese engineers, experts and others in service of Chinese establishments who lost employment. As for Japanese withdrawing from China, their number has been steadily increasing, practically all having already left Kiukiang, Shashih, Chunking, Chengtu, Wenchow, Chengchow, Yunnan, Nanking, Wuhu and Hanchow.

2. Trade

(a) At Tientsin: though there was no great change until the end of October in the Chinese imports of paper, the imports of cotton textiles, flour, sugar and miscellaneous goods have decreased on account of many cases of cancellation of shipment. The consignments from Kobe and Osaka have dropped by 30%, and those from Tokyo and Yokohama by 50%. Since the collision between the Chinese and Japanese troops in that city the goods laden at Osaka and destined for Tientsin have rapidly decreased in amount. While in ordinary times there were about 300 tons of cargo, on the average, on each boat, this amount decreased by two-thirds upon the outbreak of the trouble, and has steadily diminished since, so that now it is about a tenth of the usual average.

(b) At Shanghai: all branches of commerce have been at a standstill, except the deliveries of those articles which are indispensable and

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(b) At Shanghai: all branches of commerce have been at a standstill, except the deliveries of those articles which are indispensable and

besides have already been paid for, such as coal and printing paper, and shipments of wheat bran. Independent merchants, if not also the large concerns, suffer more and more. Generally speaking, the repercussions of the boycott on Japanese goods have always been most serious in Shanghai. The direct losses up to October 15 are as follows:— cotton textiles, cotton yarn and artificial silk textiles: 3,520,000 yen; sugar: 570,000 yen; coal: 340,000 yen; paper: 560,000 yen; machinery and hardware: 290,000 yen; lumber: 100,000 yen; marine products: 50,000 yen; others: 870,000 yen; wheat bran, cotton seeds, cotton-seed cakes, rape seeds, sesame, raw cotton, articles manufactured by Japanese spinning mills: 5,150,000 yen; Indian cotton: 950,000 yen; wheat: 630,000 yen; others: 370,000 yen. In addition, there have been many unilateral cancellations of contracts, rendering impossible the delivery by Japanese of a vast amount of merchandise.

(c) At Hankow: apart from coal, all Japanese articles have been boycotted, such as cotton textiles and cotton yarns, paper, marine products, hardware, rubber goods and sugar, which were, until then, the principal articles imported. Besides, the goods stored in the warehouses cannot be drawn as the Chinese merchants, who are in terror of the penalties inflicted by the Anti-Japanese Society, will not trade with Japanese and have cancelled all contracts.

The Chinese importation of cotton textiles amounts usually to 2,500 bales in total, namely 1,000 bales through the Nippon Menkwa Company, and 1,500 bales through other firms. This importation has been entirely stopped. On the other hand, contracts involving 3,500 bales of textiles lying in the warehouses belonging to various firms have been cancelled, turning into losses the cost of transport, interest on capital, as well as the warehouse charges. Because of apprehensions concerning the future the market quotation has gone down by 35%, and the exchange has fallen by six-tenths of 10 *taels*, viz. to 160 *taels*. In all, the merchandise has gone down in value by 41%, causing a loss amounting to 574,000 *taels*.

The Chinese imports of cotton yarn averaged 2,000 bales through the Nippon Menkwa Company (including the products of the Taian Mills, a Japanese concern), and about 10,000 bales through other firms. This business has been completely stopped, 300 bales in stock, 500 bales on transit, a total of 800 bales, having been refused, which means a loss

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of 43,000 *taels*, calculated on the basis of the evaluation of the goods in question at \$144,000 and taking account of the fall by 30% in price.

The larger concerns dealing in miscellaneous goods, such as the Mitsui, Mitsubishi, Okura, Iwai and Yoshida, are having only an insignificant turnover, while the independent merchants with limited capital are experiencing greatest difficulties in paying their way.

Further Description of the Effects on Trade

The other losses in various regions are estimated to be enormous from a commercial point of view. For example, the Japanese exports to China for the month of October amounted in value to about 9,400,000 yen. If we compare the figures with those for the same month of the previous year, which were 25,600,000 yen, there will be seen to have been a falling-off of about 16,000,000 yen, or 62%. It is necessary to take into account the general decline in Japanese exports in 1931 which showed a falling-off of 27% in the period from January to August. It must also be borne in mind that the buying power of the Chinese was reduced because of the flood in the Yangtze Valley. Supposing that this falling-off represents 10%, and if we add the 27% fall due to the general depression, the diminution of the Japanese exports to China in October caused by the Chinese boycott, may be calculated to have been more than 6,000,000 yen.

According to the statistics of foreign trade at the port of Hongkong during the month of November, 1931, published by the Hongkong Government, the Japanese imports there fell by 77%, in comparison with the previous year, or from \$7,400,000 to \$1,700,000. Cotton goods, which form the bulk of these imports, have dropped from \$3,340,000 to \$460,000, these figures representing 8.8% of the total imports of the same goods for the same month, which was \$10,780,000, as against 35% of the preceding year. Food stuffs went down to \$35,000 from \$1,250,000; hardware to \$6,000 from \$99,000; miscellaneous goods to \$170,000 from \$880,000; fertilizer to \$750 from \$79,000.

As for Japan's import trade, it has almost entirely disappeared from along the Yangtze because of the boycott as also because of the flood which devastated these regions. Elsewhere, the trade has not experi-

enced any great change. At Tientsin and Hankow the conditions are as follows:

(a) At Tientsin: with the restoration of order, the Chinese exports to Japan quickly returned to normal, and from the end of November, the ships leaving for Japan contained as much raw cotton and cotton-seeds as in previous years. Moreover, the warehouses are well filled with wheat bran, sesame, cotton-seeds, cotton yarn and textiles, etc., awaiting shipment.

(b) At Hankow: manganese ores, sesame, cattle bones, cereals, fertilizers, bristles, etc., may be exported without difficulty. But since the flood offers for these articles have decreased, with the exception of minerals and hemp. Due to this fact as well as to stringency of the money market, business is very slack. The export of raw cotton, which reached in normal times a total of 10,000 bales a month (the bulk shipped to Shanghai)—5,000 bales, through the Nippon Menkwa Company, and 5,000 bales through other firms—has completely disappeared. The "Provisional Regulation concerning the Export of Chinese Goods to Japan", issued by the Anti-Japanese Society of Hankow on December 6, 1931, to the three Chambers of Commerce in Hankow, Hanyang and Wuchang, prohibit the export to Japan of beans, bean-cakes, sesame, powder-rice, broad beans, rice and other cereals, cow-hides, sheep-skins, wood oil, crude cotton, crude hemp, mercury, manganese, antimony, saltpetre and ganny bags. The export of yellow wax, cattle bones, bristles, wheat bran, cotton seeds and crude lacquer is permitted on payment of a 5% *ad valorem* duty called, the "Save-the-Nation Tax", and after a certificate has been issued from the Anti-Japanese society. Finally, the export of other articles depends entirely upon the Society's decision.

3. *Financing*

(a) At Shanghai: the Chinese banks and exchanges suspended sale or purchase of silver to or from Japanese, while at Hankow under pressure from the local anti-Japanese organization the Chinese banks, firms and compradors refused to accept bills from Japanese. This awkward situation was gradually aggravated, ending in a total rupture of all

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financial transactions in Shanghai and other places, causing great dislocation of trade and movements of goods. In consequence, some of the Japanese spinning mills, which had been dependent upon Chinese financial organs, were obliged to close down, while many Chinese merchants, who had been obtaining necessary funds on the security of Japanese goods in their possession, were also compelled to suspend their business because their goods were subjected to registration and sealing by anti-Japanese organizations. Chinese brokers, who had advanced money to such merchants, were also heavily hit, because they could not collect it and, in addition, were unable to recover much of their capital on account of the great flood.

(b) At Hankow: 80% of the local money lenders and brokers suspended business or went bankrupt, causing a panic in the money market and arousing much open opposition to the anti-Japanese boycott which are carried out in utter disregard of economic principles.

(c) At Tientsin: the banks were extremely cautious in lending; and there being no bills of import to deal with, the money market was extremely dull. The Chinese money brokers in the Japanese Concession reopened their doors on November 25, after the situation was restored to normal, but they had few transactions and many of them have removed into the French Concession.

4. Industrial Enterprises

For the reason that there is little demand for their manufactured goods on account of the boycott movement and also for the reason that there is much agitation and unrest among their Chinese employees, the Japanese industrial enterprises in China have been placed in a very difficult position, many having either curtailed production or suspended work.

(a) At Tientsin: two spinning mills, the Yu-ta and the Yu-yuan, stopped work, while factories manufacturing rubber shoes and boots and enamel wares generally shortened their working hours. The Tôa Tobacco Company closed its factory until November 3, and, the San-yû Match Factory is on the point of closing down.

(b) At Tsingtao: the four Japanese match factories had between

them a stock for two months at the beginning of October, but were producing between them about 100 tons of goods per day. Sales, however, had dwindled to one-third of the normal amount. Work is continued, though more or less curtailed, in factories manufacturing soap, timber, shoe-soles, dyes, etc. intended for Chinese consumption.

(c) At Shanghai: the total Japanese investment in various industrial enterprises is said to amount to \$512,000,000. The total number of Japanese factories at Shanghai is 157, including 96 within the Settlement and the Concession and 61 outside of them. The total number of Japanese and Chinese employed at these factories is about 2,600 and about 72,400 respectively.

There are 21 Japanese spinning mills at Shanghai, and unlike other factories, these possessing between them 43% and 60% of the equipment and productive power respectively of the entire spinning industry in China, have been continuing work. The Chinese workers, though participating in anti-Japanese movements in secret, work harder than in normal time for fear that work would be stopped, so that the amount of their output has been showing some increase. But local dealings in their product have entirely stopped. It was by finding market in Manchuria and North China as well as in India, that during October about 44% of cotton yarns and 31% of cotton fabrics manufactured during that month were disposed of, and during the following month about 50% of cotton yarns and about 35% of cotton fabrics of the output for the month were sold. Much attention is being paid to the task of disposing the accumulating stock, but in view of unfavourable rates of exchange it was expected that during December the export to the Indian market would witness a decrease. In these circumstances, with the advent of December all the companies began to curtail work by about 7 to 23 per cent, decreasing working hours (for instance, by stopping work on Sunday night, whereas formerly work ceased only during the daytime on Sunday) and also by keeping idle a number of spindles. At the same time, an endeavour was made to eliminate undesirable elements among the workmen in their employ.

As for other factories under Japanese management, 136 in number, the total amount of capital invested in them is about \$50,000,000, their productive capacity being estimated at \$5,000,000 per month, and their

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employees numbering 13,000. Of these 4 are capitalized at above \$5,000, 000 each, 7 at above \$1,000,000, 4 at above \$500,000, 13 at above \$200,000, 9 at above \$100,000, 15 at above \$50,000, and 33 at above, and 51 at below, \$20,000. Those undertaking lighter kinds of manufacturing industry have been mostly established as a result of the drop in the price of silver continuing since 1929 and the rise in the Chinese customs tariff. Having been heavily hit by the boycott movement, these factories, with the stock of material and manufactured goods which they cannot dispose of, have been suffering from lack of available capital. After the end of September and the beginning of October they have begun to suspend work, one after another.

Seven factories with a capital of \$330,000 between them, which are engaged in the manufacture of accessories to spinning machines, have not been hit so much on account of the Japanese mills still continuing work. A silk-spinning factory capitalized at \$3,700,000, a hemp-cloth factory capitalized at \$5,000,000 and a match factory capitalized at \$100,000 have been continuing work but the last mentioned factory is distressed with the accumulation of stock as there is no sale of its product; a sugar refinery with a capital of \$6,000,000 and an ice factory with a capital of \$500,000 have practically suspended work, and the Chinese workmen in their employ, under instigation from the outside, have begun to become unruly. Not a few of them commit sabotage, while others have been found pilfering. Small factories engaged in printing business, or in the manufacture of rubber goods, enamel wares, etc., which were obliged to give up work numbered, according to an investigation made on October 23, to 31 within the Settlement and Concession and 29 outside of them, a total of 60. The numbers of Japanese and Chinese who lost employment in consequence was 351 and 2,496 respectively.

(d) At Soochow: the Nikkwa Silk Mill, employing 455 male and female hands, was obliged to close down on October 23.

(e) At Wuhu: the Naka Company was obliged to close down.

(f) At Hankow: the Taian Mill, capitalized at 5,000,000 yen, was obliged to suspend work and closed down on October 25. The Nikkwa Oil Refinery in the Japanese Concession was also obliged to close its doors on October 31, because it could not secure raw material on account of the boycott and the flood.

(g) At Foochow: the Min Pao, a vernacular newspaper under

Japanese management, lost 500 subscribers. Furthermore, two Chinese on the editorial staff resigned. In consequence, it has been obliged to issue four pages only instead of eight pages as hitherto. Chinese merchants have withdrawn their advertisements from the paper.

5. *Shipping*

The losses suffered by the shipping industry amount to something between 4 and 5 million yen each month, in consequence of the dislocation of service in the China Sea, in the Pacific, in the Indian Ocean and to Australia. The local situation is as follows:—

(a) At Tientsin: the carriage by Japanese vessels of Chinese goods destined for Chinese, European or American ports has been reduced to nothing. The Japanese shipping concerns, such as the Osaka Shosen Kaisha, the Nisshin Kisen Kaisha and the Dairen Kisen Kaisha, have suffered a decrease in business ranging from 50% to 90%. The Kokusai Unyu has taken off two out of three boats on its Shanghai line.

Again, the lighter-owners have lost from 40% to 50% of their business, because of the absence of Chinese cargoes as also because of the decrease in Japanese imports.

(b) At Shanghai: the loading of Japanese vessels, and the regular services between Japan and China, have decreased by from 40% to 50% on the voyage from Japan to China, and from 30% to 40% on that from China to Japan, and continues to decrease still more. In the coastal services of the Osaka Shosen Kaisha, the Dairen Kisen Kaisha and the Nisshin Kisen Kaisha, the carriage of Chinese goods has been reduced to nothing, while that of Japanese and foreign goods has decreased by from 10% to 20% on an average. In the Yangtze service, carriage on the up-stream voyage is practically nil; while there still remains temporarily, on the down-stream voyage, the carriage of cereals and fertilizers which are purchased on the Hankow market owing to the impossibility of obtaining them at Shanghai. In view of the absence of cargoes, various Japanese shipping companies have withdrawn a number of their vessels from service. Foreign merchants avoid consigning the goods to Japanese vessels as much as possible, for, in making imports, they are afraid of the goods not finding ready

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purchasers after their arrival, and also, in making exports, they must give consideration to the feeling of Chinese. In the case of silk, for example, Chinese refuse to sell it if it is to be shipped on Japanese vessels. Thus, the consignment of both incoming and outgoing cargoes by foreign merchants to Japanese vessels, are rapidly decreasing. Again, the contracts of Japanese vessels engaged in the carriage of Chinese coal, such as of Shantung or Peipiao, have been annulled. Even the long-standing contracts, such as those which concern the shipping of Kaiping coal, are actually being considered with a view to their rescission. Consequently freight charges have gone up considerably at Shanghai, the rate for coal between Shanghai and Hungchi being now \$3.70 to \$3.80 (Yen 1.80), which represents a rise of 40 to 50 cents (20 to 24 Sen). Moreover, the lighter coolies, under the threats of the Anti-Japanese Society, declared a strike as from the 6th of October.

(c) At Wuhu: the exportation of iron ore by the Kinkai Yusen Kaisha, and by the Naka Company has been interrupted, and the boat crews, engaged in loading, subjected to intimidation.

(d) At Swatow: coolies who wanted to work for Japanese vessels were arrested by the Chinese harbour police.

(e) At Hongkong: though there is outwardly no anti-Japanese movement, because of the declaration of martial law, no Chinese shipper engages Japanese vessels, except those on the Formosa route. The loading and unloading of Japanese boats have become normal since the beginning of October.

(f) At Canton: the Anti-Japanese Society has succeeded in seducing the Coolies' Union so that the loading and unloading of the vessels belonging to the Osaka Shosen Kaisha and the Nisshin Kisen Kaisha has become impossible.

6. Communication

Simultaneously with the development of the anti-Japanese movement, communication was also disorganized and obstructed. Everywhere attempts were made to interrupt telephonic communication. Letters addressed to, or sent by, Japanese were opened, while even official despatches addressed to Japanese consulates were examined.

(a) At Tientsin: the Chinese Post Offices have refused, since the Manchurian Affair, to accept a Japanese newspaper the "Tientsin Nippo."

(b) At Tsinan: simultaneously with the anti-Japanese boycott an agitation was vigorously carried on in October for non-carriage of Japanese goods by the Tientsin-Pukow Railway.

(c) At Shanghai: Japanese residents are so constantly interrupted on the telephone as to make it impossible to use it. Letters, telegrams and articles sent by post addressed to Japanese are either seized, or subjected to unnecessary delay. The Post Office clerks refuse Japanese mail matters including newspapers. The Chinese operators either decline to connect telephone calls between Japanese, or interpose insulting remarks, and often wilfully cut off connection in the middle of a conversation.

(d) At Chengchow: since the end of September, not only letters addressed to Japanese, but also official despatches addressed to the Japanese Consulate, have been opened by the local headquarters of the Kuomintang.

(e) At Soochow: newspapers and articles sent by post have, in almost every instance, failed to arrive at their destination, while interference with the telephone has been common.

(f) At Nanking: letters addressed to Japanese, even those addressed to the Consulate, have been opened by members of the Kuomintang. Telephone communication between Shanghai and Nanking has been rendered quite impossible by the employees of the Telephone Office. Japanese newspapers from Shanghai, as also those coming from Japan, have all been seized.

(g) At Wuhu: telegrams sent by, or addressed to, the Japanese Consulate, have been seized, and their delivery delayed since September 20. Sometimes the messages have been falsified. The telephone has often been tampered with, letters constantly opened, and sometimes even the sale of newspapers to Japanese refused.

(h) At Canton: telephone calls to the Japanese Consulate-General have been frequently cut off on the ground that the conversation ought to be conducted either in English or in Chinese. Furthermore, violent anti-Japanese slogans were inscribed on the forms employed by the Canton Radio Office and delivered to the Japanese Consulate-General.

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Similar inscriptions were found often on envelopes addressed to Japanese residents.

7. *Repercussion among the Chinese*

The campaigns of the anti-Japanese societies produced also considerable repercussions among Chinese merchants. Financial conditions in the Yangtze Valley, which had been bad enough due to the flood and the communist activities in the interior, were brought to crisis.

The "Fight-Japan and Save-the-Nation Society" has promulgated "Regulations for the Expulsion of Japanese and Japanese Goods", which condemn to severe punishments all those who do not conform to them. The number of the Chinese arrested, and the value of the goods seized, by reason of alleged offences, are considerable. For example, at Shanghai there was a case in which a Chinese merchant was sentenced to pay fine to the amount of \$100,000 towards military expenses for having secretly imported crude rubber from Japan, while there were several instances of confiscation of goods to the value of from \$3,000 to \$100,000. There were, besides, between November 11 and the end of the month, 233 cases in which goods were seized by the Inspection Bureau of the Anti-Japanese Society while the undisposed stock of Japanese goods in the possession of Chinese merchants at the middle of November amounted to 80 or 90 million dollars in value. The value of Japanese goods registered with the Anti-Japanese Society of Canton, up to November 27, was \$4,040,000, and the number of shops involved more than 4,000. The goods sealed by the Anti-Japanese Society of Swatow, within the city district only, were valued at about \$3,600,000. Those put under seal at Soochow, Hangchow, Amoy and other cities were also quite considerable.

It is the factories, usually depending on Japanese coal, that have been most hard hit by the boycott. They have difficulty in finding a Chinese substitute, and their managements have petitioned the respective local anti-Japanese societies for less stringent measures. The lack of printing paper has also had grave effects upon the newspaper business. The match manufacturers in Canton, who were buying their materials from Japan, find themselves in an extremely difficult position. Out of 11 factories 2 have already been closed down while the others are

barely able to carry on. Finally, by reason of the agitation conducted by anti-Japanese societies for strikes of Chinese in the service of Japanese, the number of unemployed among compradors, workmen and domestics has increased enormously. At Shanghai, for example, the old hands hitherto employed in Japanese factories, who are now out of work, number 2,500. At Hankow the Chinese lately working for the office of the Nisshin Kisen Kaisha, and are now out of work, number more than 800. If added to the above the number of unemployed due to the closing down of Chinese factories for want of the raw materials imported from Japan, and the stevedores also out of work, the total number of Chinese out of employment must reach 30,000 or more.

These then are the unfortunate repercussions of the anti-Japanese boycott. On the other hand, it has redounded to Chinese advantage in certain cases. The Chinese shipping companies, for instance, have asked the Government for an issue of loan to the amount of \$10,000,000 for the extension of their services, and they even propose the inauguration of regular services to the Malaya, Dutch Indies, etc. Besides, the demand for Chinese coal, cement, textile products, paper and various other articles of Chinese manufacture has increased. A scheme is on foot to purchase spinning and weaving machines with the Boxer Indemnity Fund, and it is even proposed to start the manufacture of zinc plates to the annual output of 250,000 piculs.

53
Boycott is an
unarmed act of
hostility

§ 53—The Chinese boycott of foreign goods is a hostile act against foreign Powers. Hostility of one country against another does not manifest itself necessarily through the use of armed forces. The anti-foreign movements latterly taking place in China are simply acts of hostility without resorting to armed forces.

At the time of the notorious Nanking Affair of 1927, Chinese troops and civilians, most of whom no better than bandits, openly attacked foreigners. Not only did they destroy and loot foreign property, but the lives of foreigners were seriously endangered. In fact, many foreigners having been killed and wounded, the English and American warships were finally obliged to fire on Nanking. In such a case, resort to armed force must be considered as a legitimate measure of self-defence. The boycott seems, in appearance, to be different from the

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Nanking Affair in that it does not involve immediate danger of life to foreigners, but as far as the material interests of foreigners are concerned, it does not differ, in effect, from such attacks on foreign property as were perpetrated at Nanking.

Even though the property of foreigners is not directly attacked, if the Chinese by the force of masses, prevent foreigners from their exercise of the right to trade secured by treaties, such an act constitutes *ipso facto* an attack on the legitimate interests of foreigners. In such cases the results are even more serious than those of an attack on the property of individual foreigners. It is, therefore, not unfair to consider such an act as being an armed hostility against foreign countries. The Chinese Government must accept responsibility for the boycott, in view of the fact that not only have they shown no desire to put a stop to such acts of hostility on the part of the Chinese subjects, but on the contrary have either openly or secretly encouraged them. To-day, when war is condemned as an instrument of national policy, by the Pact for the Renunciation of War, there is no reason why an act of hostility of this kind, having the same aim as war itself, should be permitted.

§ 54—The boycott in China being an unarmed act of hostility against foreign countries, the proper measure that the Powers concerned might ordinarily take would be to call the attention of the Chinese Government and to demand through diplomatic channels its suppression. But up to the present, every Power which has adopted this procedure has been met with failure. Hundreds of protests and thousands of remonstrances have been made, all in vain. There is no hope for a solution by this means. Since all countries interested in China have either suffered, or will suffer, from Chinese anti-foreign movements and boycotts, the only reasonable method, and at the same time the only satisfactory method, to put a stop to such hostilities, is to establish an effective co-operation of the Powers interested. But whether this can be realized or not, no Power, in case of emergency, can avoid adopting the necessary measures of self-defence.

54
 What measures
 may be taken
 against the boy-
 cott?

CHAPTER XV

Relation between the Anti-Japanese Movement and Japan's Right to Exist

55
Relation between
the anti-Japanese
movement and
Japan's right to
exist

§ 55—As we have just seen, the anti-Japanese movement has caused enormous losses to the lives and property of Japanese resident in China, and has dealt a serious blow to the rights and interests of Japan, while there have been the most serious repercussions on the trade of both countries. It is a well-known fact that Japan, desirous of preserving peace in the Far East, has constantly done all in her power, and always through the customary diplomatic channels, to bring the matter to the attention of China with a view to putting an end to this state of affairs.

However, not only have the Chinese Government failed to alter their attitude, but on the contrary, considering Japan's moderate policy as a sign of weakness, they have continued to direct popular anti-Japanese activities, openly or covertly in concert with the Kuomintang. Especially since Manchuria passed under the influence of the Nanking Government in 1929, so frequently have the rights and interests of Japan in Manchuria been attacked and violated, and so rigorous and persistent has grown the anti-Japanese movement throughout the whole of China, that we have come to be apprehensive that sooner or later our economic position in China might completely be undermined.

Now, as the loss of our economic opportunities in China signifies *ipso facto* the loss of our right to exist, the anti-Japanese movement presents a grave danger to the national existence of Japan.

56
Question of the
surplus population
of Japan

§ 56—The most pressing question which confronts Japan to-day is that of our population, which continues to increase at the rate of something like a million *per annum*.

Let us take for example the statistics of 1905-1930. They show,

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during a period of 26 years, an annual increase of from 5.5% to 7.7%, or on the average 6.4%. If our population continues to grow at this rate, it will, within a century, be more than two hundred million, though certain factors may be considered which might prevent this increase. The population of Japan Proper, (i.e., without taking into account the overseas possessions), was, according to the census of 1930, 64,000,000: a figure which may be doubled in the none too distant future. According to the same census, the density of Japan Proper is 169 inhabitants to the square kilometre. It is only a question of time before it comes to exceed 300 inhabitants per square kilometre. If it be remembered that Japan has a large area that is mountain and forest land, which results in only one third of her land being habitable, the density of the population is, in reality, much greater than is apparent from the statistics. Our population in proportion to the cultivated land gives a density elsewhere unknown, which in 1929 was 1,131 inhabitants per square kilometre.

§ 57—One of the ways for a solution is no doubt emigration. Unfortunately all the lands suitable are closed to the Japanese. There is another way, and that is the development of our industries that will absorb the surplus population.

Japan, comparatively young as an industrial country, is not in a condition to compete with the more advanced Powers except in the silk and cotton textile industries, which at present constitute the mainstay of her international trade. Moreover, we cannot expect much from the silk industry, which is greatly menaced by the immense progress made in the manufacture of artificial silk, as also by the development of the silk industry in China. Neither has the cotton industry much to offer in view of the increasing competition from China and India. Japan must find new industries. Now economic nationalism, so conspicuous after the World War, has led all countries to erect higher and higher tariff barriers so that Japan finds herself in an extremely difficult position, both in the importation of raw materials and in the exportation of manufactured articles. It is under these circumstances that Japan turns to China, and especially to Manchuria and Mongolia, for the supply of raw materials as well as for the market which would consume

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There remains but one means to solve the problem of over-population

her manufactured goods. The only, and at the same time the best, means for Japan to solve the problem of over-population, is to develop new industries with Chinese raw material, and to export the manufactured articles to China. Japan's fate hangs upon the realisation or non-realisation of this project. This indeed constitutes for her a question of life or death. Herein lies the reason why Japan attaches so much importance to the Chinese question, and especially to the question of Manchuria and Mongolia.

It need not be repeated that Japan has no territorial ambitions in China, and that she has no intention to throw obstacles in the way of the application of the principles of "open door" and of "equal opportunity". What Japan asks of China is the freedom of legitimate economic activities, which are so indispensable for her existence.

Now China, as has been seen above, has continuously attempted to abridge the Japanese rights and interests acquired by treaties, to destroy her position in Manchuria and Mongolia, and to cut off by boycott all export to China of Japanese goods. It is clear that Japan cannot tolerate such a state of affairs. It must be noted that if China endeavours to hamper the legitimate economic activities of Japan, based on treaties, whatever may be the motive of such an attempt, it will result in the appearance of a serious obstacle in the way of Japan's very existence, more especially as her claims for racial equality and for the liberty of emigration are denied her.

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CHAPTER XVI

Japan's Special Relations with Manchuria and Mongolia as Distinguished from China Proper

§ 58—In view of the fact that China's violation of Japanese rights and interests in Manchuria and Mongolia constitutes, as we have seen above, a grave menace to Japan's existence, and that these two regions occupy a peculiar place with reference to Japan's national defence, it is natural that Japan should consider them in quite a different manner from that in which she regards other parts of China. This attitude is all the more easily understood when it is recalled that it was Japan who saved Manchuria and Mongolia from Russian aggression, and put them back under the territorial sovereignty of China; that it was through the incessant and devoted efforts of Japan that they have been developed economically and culturally, and have enjoyed comparative peace and order; and that there are in these regions a large number of Japanese residents and enormous sums of Japanese capital invested in numerous economic enterprises.

58
 General observa-
 tion

§ 59—This Japanese viewpoint has already been officially embodied in international engagements, as for example in the Russo-Japanese Conventions, and especially in that concluded in July, 1910, whereby Japan and Russia undertook to guarantee reciprocally their interests in Manchuria. Also in the Franco-Japanese Agreement of June, 1907, which contains the following passage:

59
 Treaties recogniz-
 ing distinction be-
 tween China Pro-
 per and the re-
 gions of Manchu-
 ria and Mongolia

"... having a special interest in seeing that order and a peaceful state of things be guaranteed, especially in the neighbouring regions of the Chinese Empire, where they (the Governments of Japan and France) have rights of sovereignty, of protection, or of occupation . . ."

In signing this agreement, therefore, France recognized the special relations of Japan with the regions of Manchuria and Mongolia, distinguishing them from China Proper, and found sufficient reasons to conclude with Japan an agreement concerning these regions. Again, in the Notes exchanged at Washington concerning China, in November, 1917, between Japan and the United States of America (the so-called "Ishii-Lansing Agreement") it is stated:

"... the Government of the United States recognizes that Japan has special interests in China, particularly in the part to which her possessions are contiguous".

These Notes, like the above-mentioned agreements, distinguish Manchuria and Mongolia from the rest of China, and recognize clearly the special interests that Japan possesses in the regions. Though the Ishii-Lansing Agreement is no longer in force to-day, it is sufficient to recall how once the United States recognized the distinction between Manchuria and Mongolia on the one hand, and China Proper on the other.

60
The policy of the
Japanese Govern-
ment

§ 60—The Japanese Government have clearly affirmed this policy, especially at the meeting, held on the 7th of July, 1927, of the diplomatic and consular officers and other officials concerned for the consideration of Chinese and other cognate questions, at which the Minister of Foreign Affairs said in his message:—

"As to the method of carrying out our fundamental policy with regard to China, China Proper must be distinguished from Manchuria and Mongolia, in view of the peculiar situation occupied by Japan in the Far East. Following this traditional principle we shall now explain the concrete policy that we are following at the present moment."

Later, concerning the policy in respect of Manchuria and Mongolia, the Minister said:—

"Japan, having vital interest in Manchuria and Mongolia both in respect of her national defence and in respect of the national existence of the Japanese people, must attach special importance to those regions. Moreover, it is her duty, as a continuous State, to maintain peace and to promote the econo-

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mic development of these regions in order to transform them into a land safe and peaceful for the residence of Japanese and foreigners alike. In this respect, the principle of the 'open door', as also that of 'equal opportunity' should be observed in order to stimulate the economic activity of both Japanese and foreigners with the view to accelerating the peaceful development of these regions.

"With regard to the protection of our acquired rights and interests, and the settlement of various pending questions, they must be dealt with in accordance with the principles above expounded.

"For the political stabilization of the Three Eastern Provinces, the best means is to leave all responsibility to their own efforts and means. We shall not spare ourselves in supporting every effort made by these provinces with a view to stabilizing the political situation so long as they duly respect our peculiar interests. If any disturbance were unfortunately to break out in Manchuria and Mongolia, and our situation, our rights and interests were threatened, we would not hesitate, from whatever quarters it may be caused, to take necessary and adequate steps for their protection, and to maintain these regions as a safe and peaceful country alike for Japanese and foreigners."

Again, in his Note of February 4, 1932, addressed to the Ambassadors of Great Britain, the United States and France, in reply to their proposal concerning the Shanghai Incident, Mr. Yoshizawa, Foreign Minister, said in the 4th paragraph:—

"While it is to be presumed that 'all outstanding controversies' between Japan and China include the Manchurian question, the Japanese Government regard this latter as an entirely separate question from the Shanghai Affair, and moreover it is covered by the resolution (of the League Council) of December 10th last. Furthermore it is a settled policy of the Japanese Government not to accept the assistance of neutral observers or participants in the settlement of the question concerning Manchuria. For these reasons the condition in paragraph 5 of the Powers' note is not acceptable to the Japanese Government."

By these words the Foreign Minister intended not only to express the desire of the Imperial Government to treat the two questions as separate matters on account of the absence of all connection between them, but also to reaffirm the settled policy of the Japanese Government not to regard Manchuria and Mongolia in the same way as the rest of China.

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PART TWO

LACK OF UNITY AND CHAOTIC CONDITIONS PREVAILING IN CHINA

CHAPTER I

Civil Wars Since 1911

§ 61—Since the fall of the Manchu Dynasty, China experienced one disturbance after another. Militarists rose and fell, struggling for supremacy; not a year passed without seeing civil wars in active progress; no attention was paid to the necessities of ordered and civilized life. The sufferings of the Chinese people were indescribable. Foreigners resident in China were made not only the butt of anti-foreign movements, but also victims of these incessant conflicts. Only a brief outline of the disturbances since the establishment of the Republic may be given in the present chapter.

Shortly after the Revolution of 1911, the Peiyang militarist faction, led by Yuan Shih-kai, commanded the greatest influence in the land. In the following year the generals who had taken prominent part in that Revolution, attempted a second revolution with the object of ousting Yuan, but failed. For some time thereafter Yuan's influence seemed to extend to the whole of China, but when he attempted to establish an empire of his own, the Province of Yunnan took the lead in declaring independence, followed by several other neighbouring provinces. As a result, the country resolved itself into two opposing camps, the North and the South. After the death of Yuan, splits occurred among the Northern militarist leaders themselves, the whole country being torn asunder even more seriously than before by strife and dissension. Upon the failure of General Chang Hsun, one of the eminent Northern generals,

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Civil wars since
1911

to restore the Manchu Dynasty the reins of political power passed into the hands of Tuan Chi-jui, who was in practice the leader of the Peiyang faction after the death of Yuan Shih-kai, and who brought the various Northern forces under his control. Tuan's sphere of influence was, however, limited to North China and a portion of the Yangtze Valley. Yunnan, Kwangtung and other provinces were not only entirely independent of the Northern authority, but were opposed to it. Thus the Northern and Southern Governments were up in arms against each other, active hostilities going on from time to time.

The various forces composing the Northern group also disintegrated; war broke out between the followers of General Tuan Chi-jui, who were mostly natives of the Provinces of Anhui and Fukien, and the militarists of Chihli led by General Wu Pei-fu. Among the Southern militarists, war was also waged between those who were in secret communication with the Northerners, and the rest. Then, Chang Tso-lin, who had long held sway in Manchuria and Mongolia, took the field against the Chihli generals who had defeated Tuan Chi-jui. North China, therefore, again became the scene of war. Another war broke out between General Chang Tso-lin and General Wu Pei-fu as an aftermath of the struggles between the war chieftains of Chekiang and those of Kiangsu. Subsequently, the influence of General Chang Tso-lin spread to a section of the Yangtze Valley, but the militarists of Kiangsu and Chekiang combined in an attempt to oust him. There existed thenceforward in the Yangtze Valley anti-Chang sentiments of increasing volume. Frequent collisions occurred between the two opposing groups, in various provinces such as Honan, Hupei and Kiangsu. Eventually the Mukden faction (with General Chang at its head), unable to withstand the anti-Mukden factions, withdrew from the Yangtze. A detailed narrative of the rise and fall of these various forces would make an extraordinary story of faction feuds. With alliances and counter-alliances, with combinations and divisions, antagonism ran riot in the form of wars in every direction. It is not too much to say that not a day passed in real tranquillity.

The situation was further complicated by the fickle attitude of the Government at Canton, of which the central figure was Dr. Sun Yat-sen. At one time they now sided with Chang Tso-lin, and at another they espoused the cause of Feng Yu-hsiang. After the death of Dr. Sun, General Chiang Kai-shek assumed control of the Revolutionary Govern-

ment at Canton, and raised an army for the subjugation of the North. When his Nationalist Revolutionary Army advanced on the Yangtze, fierce battles occurred in many places in the Provinces of Hunan, Hupei, Kiangsi, Kiangsu and Chekiang. The Nationalist Army finally drove back the Northern forces, and occupied Shanghai, Hankow and Nanking. Further north, they pressed General Chang Tso-lin's army back into Manchuria. With this, China Proper was brought under the control of the Nationalist Army, and by a subsequent compromise with General Chang Hsueh-liang, son and successor to Chang Tso-lin, a semblance of unified administration was imparted to the whole of China. In fact, however, communists were in rebellion in the direction of Kiangsi. General Chiang himself led an army against the rebels, but before he could subjugate them, Canton declared its independence. In Shansi and Shensi, the attitude of General Feng Yu-hsiang and General Yen Hsi-shan was also against Chiang, and moreover, in the direction of Nanking, General Chiang's influence was not what it used to be. Accordingly, General Chiang has resigned the position as the head of the Nanking Government, and has gone into retirement in the Province of Honan. It is to be feared that North China and the Yangtze Valley may again revert to their former condition of disruption and strife.

The foregoing is a very brief account of the internal wars that have occurred since 1911 up to the spring of 1932. It would require volumes to describe the struggles that have gone on among various personages who were the depositaries of power behind the scenes. The fact is that, during the last twenty years, the situation in China has been marked by increasing disunity and dissension. There have been "Central Governments"—so called by themselves—to the number of three or four at one and the same time, the authority of each extending to five or six provinces at most, and sometimes only to two or three.

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CHAPTER II

Historical Background of Chinese Disunity

62
China has never
been a unified
State since an-
cient times

§ 62—The state of disunity prevailing in China, is not a phenomenon that first presented itself on the outbreak of the Revolution of 1911. A state of disunion has been continually repeated since thousands of years ago. To cite the more recent instance, the Manchu Dynasty reigned over all China, but only in name. The territory, which the Peking Government really ruled, covered only Chihli, Shantung, Shansi and Honan besides the Three Eastern Provinces of Manchuria. To other provinces, viceroys and governors, all of Manchu birth, were dispatched. They were armed with military authority, and were charged with the task of supervising the payment of the local tributes and of preventing the outbreak of rebellious movements. This was the only interest which the Peking Government had in the affairs of those provinces; the Peking authorities had practically nothing to do with civil administration there. Under such an extreme form of local autonomy the various provinces each led practically an independent existence. It can by no means be said that these provinces constituted a homogeneous whole in the shape of a unified State.

As a matter of fact, the Manchu troops, by a series of defeats, showed themselves impotent on the occasion of the Taiping Rebellion, which was not suppressed until the Chinese⁽¹⁾ troops under Generals Tseng Kuo-fan and Li Hung-chang arrived on the scene. The subjugation of the rebels by the Chinese troops led, on the one hand, to the dislocation of the system under which the Manchus ruled the country by mere show of force, and, on the other hand, to the sudden increase of the influence of the Chinese. There were already signs of the approaching collapse of the Manchu Dynasty. Its position was further

(1) Here the term Chinese implies Chinese in proper sense, i.e. of Han race. *Vide* the following Chapter III.

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weakened by the Boxer Disturbances of 1900, and eventually the Revolution of 1911 supervened. It was a revolution in name only; in fact, it represented a change no more striking than the fact that the provinces, which had always been in practice autonomous, became more obviously so than before. From the very outset China under the Manchu Dynasty had never been a unified State.

A similar state of affairs existed under all the dynasties prior to the Manchu Dynasty. It may here be recalled that the 220 B.C. Shih Huang or the "First Emperor" of the Chin Dynasty established for the first time in China a *régime* of centralized government, but his domain was confined to only a part of China Proper and that system remained in operation for no more than ten years, after which the whole land was again thrown into the turmoil of contentions among rival states.

CHAPTER III

Reasons of Disunity of China

63
Reasons for which
China cannot be
unified

§ 63—If a nation is to be unified at all, it is a pre-requisite that it should have moral unity among its people. In China, however, the existence of the various circumstances which will be briefly described hereunder, renders it impossible that any moral unity on a national basis should exist.

1. Complexity
of races

1. *The Complexity of Races*

The people of China are known simply as Chinese, but these include a multiplicity of races, of which the major ones may roughly be divided into Hans or Chinese in proper sense, Manchus, Mongolians, Tibetans and Turkestanese. There are also many other minor races. Each of all these races contains many ramifications; for instance, the Han race is subdivided into over a dozen different groups, each subdivisions possessing a different physique and appearance, together with different traditions, manners and customs of its own. For this reason China presents the spectacle of a congeries of much variegated minor nations. If a traveller goes from Shanghai to Szechwan, he will feel as if he had come to a foreign country. In the outlying districts of Mongolia, Tibet, etc., not only does the influence of the authority in Central China not prevail, but even the ways of thinking of the inhabitants, not to speak of their manner of living and customs, differ completely from those obtaining in Central China. The difference is even more marked than that observable between the various countries of Europe in racial traits, language, manners and customs. The people of those regions usually take no interest whatever in the political changes, the economic situation and the diplomatic developments transpiring in China Proper. The reason for this unconcern is to be sought in the fact that their racial characteristics, traditions and thought are fundamentally alien.

It is true that in China Proper the racial differences among the

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comparatively large number of peoples have become less easy to distinguish, owing to the fact that many years' commingled residence and intercourse have tended to bring such races nearer together than in other regions. But even to-day some of these races are in definite opposition to each other, there being no intermarriage and social intercourse among them, as in the case of the Han race and the numerous Miao race, who live mainly on the water in Fukien and Kwangtung.

In Mongolia, the natives of the region and the Han immigrants never get on together and are always quarrelling. In some cases Mongolians attack Hans; in other cases Mongolians, disliking to live in the same village with Hans, abandon their place of abode, where they have lived for many years, and move to localities which have not yet been penetrated by Hans.

The relations existing between Manchus and Hans are not so strained as those between the Han and Mongolian races, but they have very little, if any, community of feeling such as might be expected of the people of one and the same nation. In addition to this racial consideration, there is a special reason for the estrangement between the Hans and the Manchus. The fact is that when, at the beginning of the XVIIth century, Manchus conquered China Proper, the Manchu Dynasty feared that their people might be assimilated by the vanquished race. In order that the Manchus might preserve their racial solidarity, they were made strictly to observe their traditional manners and customs, and were forbidden to intermarry with Hans, while the latter were also prohibited from immigrating into Manchuria. These prohibitions were subsequently somewhat moderated, but, in large cities in China Proper before the Revolution of 1911, Manchu quarters were maintained, separate and distinct from the part inhabited by Hans. The Manchus looked down upon the Hans as conquerors do upon the conquered while the Hans regarded the Manchus as alien aggressors. In this way the two races were irreconcilable, and there were no small number of instances in which strife and bloodshed occurred between the two. On the occasion of the Revolution of 1911, the Hans burned Manchu settlements everywhere and massacred the Manchus to such an extent, that for a time all vestige of the Manchus was wiped out from China Proper.

On the other hand, the Turkestanese always assumed a hostile attitude towards the Han race. Of the comparatively recent instances

of this hostility, it may be recalled that during the Great War, the natives of Turkestan, with friendly inclinations towards Germany and in opposition to the decision of the Peking Government to take sides with the Allies, attempted to advance with a great army against China Proper.

Instances of antagonism among other different races in China are too numerous to be mentioned. Even among the Hans alone, many different races have been discovered by the latest investigations of anthropologists, who have based their observations on the differences in their physique, the pigment of their skin and various other characteristics. It is perhaps more proper to say that the marked differences now observable in manners and customs between the various provinces are due not so much to the natural results of the difficulty of communication and of the segregation of the people as to the fact that they have, as alien races, fundamentally different traditions and modes of thought.

A cursory glance at the history of China will enable one to see that, since quite a long time ago, the various localities have had an independent existence, political and economic. The mere change from the Min Dynasty to the Ching Dynasty and now to Republicanism cannot basically alter that state of affairs, which has continued over so long a period of years. *China is in form a republican country, but its various components preserve their respective time-honoured traditions and ways of thinking, and in fact constitute separate and independent nations under the rule of those possessed of actual power, who belong to their respective races or who have succeeded in commanding their allegiance, such independent entities far transcending in practical importance the nominal super-entity of the Chinese Republic. The present dissension and disorganization of China is to be attributed not so much to mere struggles for power among the war-lords as to the fact that the fundamental differences of traditions and thought that exist between the various localities naturally lend themselves to the perpetuation of that deplorable condition.

2. Lack of a
common lan-
guage

2. *Lack of a Common Language*

There is perhaps no country in the world which has a greater

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variety of language than China. The variations are not merely a matter of pronunciation, but of etymological origin, so that the numerous tongues have scarcely anything in common.

The principal tongues, namely Chinese, Tibetan, Mongolian and Manchu, have each its own grammar and system of writing, the difference between any two of them being incomparably greater than that existing, for instance, between English and French. Among the countless dialects, there are some such as those found in Fukien, Kwangtung, Szechwan and certain other provinces which have no written forms, having been orally transmitted. Indeed, the complexity and confusion of tongues in China defy imagination. The "Kuanhua" or the official language, known as the Mandarin Chinese is in use in the provinces north of the Yangtze, in southern Kiangsu and in Kwangsi, Yunnan, Kueichow, etc. In the provinces along the sea coast south of the Yangtze, however, there is another *lingua franca*. In all these provinces the educated people have some knowledge of the Mandarin language, and can converse, though usually with difficulty, but that language is unintelligible to the masses.

As a matter of fact, there are many instances in which people from Southern and Northern China converse with each other in a language other than Chinese. Many of the Chinese students in Europe and America conduct their conversation in French or English, while many of the Chinese students in Japan converse in Japanese. Some of them may do so in order to practise these languages, but in the majority of cases the reason is to be found in the fact that they have no common mother tongue. This strange phenomenon is not limited to Chinese students abroad; it is often observed in China itself. Such is the actual state of affairs in that country, whereas the medium of a common language is essential for the promotion of community of feeling and indispensable for the cultivation of national spirit.

3. *The Extreme Lack of Communication Facilities*

Another cause of the disunion in China is the extreme lack of means of communication. Of the total area of China, which amounts to over 11,000,000 square kilometres, about half consists of table lands and mountainous districts, where even in these days brigandage is rife,

3. The extreme
lack of communi-
cation facilities

communication and travel being extremely difficult and dangerous.

The situation is no better in the level districts, where the lack of means of communication defies description. Before railway was laid in the middle of the XIXth century, South China mainly relied upon navigable rivers and canals for communications, and North China on horses and carts. The only other means of communication was afforded by the natural roads unrepaired since ancient times. Even the rivers, which were the principal arteries of communication in South China, were limited in their use. Most of them originate in the western mountains, and flow into the eastern seas. They can aid communication between the east and west only. As between the north and south, the only important means of communication was provided by the Great Canal, which was constructed in the days of the Sui Dynasty and connected the three Provinces of Chihli, Shantung and Kiangsu; and by a few smaller canals.

For the first time in China a railway was constructed in the middle of the last century with foreign capital, and to-day her railways do not exceed in total length 13,000 kilometres, or only 0.1 kilometre for every hundred square kilometres of her area—an insignificant figure, when compared with 13.5 kilometres for Great Britain, 5.1 for the United States, 7.9 for France, 12.5 for Germany and 7 for Italy. Even if the comparison is made with Turkey and Egypt, the China's figure is no more than one-fifth and one-sixth of their respective figures. Moreover, these not at all extensive railways of China cannot be fully utilized as a modern means of communication, owing to the fact that various circumstances render their systematic operation impossible. It may be said, therefore, that throughout the greater portion of China there is no modern means of communication even in the present century.

A week or a fortnight's travel in those districts in China where there is no railway will show how devoid of convenience the available means of communication in this country are. It takes no less than half a year to go from Shanghai to Tibet; about three months are necessary for the travel from Peiping to Sinkiang. It also takes several months to go from Shanghai to Yunnan, unless the route *via* French Indo-China is taken.

With such defective and inconvenient means of communication, it is inconceivable that any degree of community of feeling could be

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fostered among the inhabitants of the various far-flung regions. It is very likely this drawback will contribute to an indefinite prolongation of the state of disunion and disorganization in China.

§ 64—Moreover, on studying Chinese society from the economic point of view, one finds at once that unity is almost impossible, the origin of decentralisation being of very old standing. Each province developed its own appropriate economic life, and has different commercial customs, so that the exchange of goods between provinces resembles foreign trade. As to the monetary system, each province has its own, and consequently, a currency which could circulate all over the country is a thing unknown in China, even the same currency possessing different values according to provinces. For instance, the silver *Tael* used as the nominal currency in business dealings comprises Shanghai *Taels*, Hankow *Taels*, Tientsin *Taels* and Canton *Taels*. As each one of these *Taels* has a different value, the transmission of funds from one province to another is effected by means of an internal rate of exchange, just as the transmission of money from one country to another is effected by an external exchange.

64
 Economic independence of the various provinces

The Kemmerer Commission which recently conducted an inquiry into the Chinese monetary system has published the following:—

“Strictly speaking, there is no such thing as a Chinese currency system, in the sense that there is a currency system in France, Great Britain or the United States. It is true that there are coins minted by the central and by provincial Governments, and notes issued by a central bank, but in no part of China does a complete and co-ordinate currency system exist, and none of the fragmentary currency systems that do exist are in general use throughout the country.”

As to the many kinds of money and the limited radius of their circulation the report states:—

“To the traveller in China the variety of coins and of circulating notes seems to be infinite, consisting as they do of issues by numerous more or less independent authorities, national, provincial, corporate and private, and differing widely from province to province and from city to city in the same province.”

So this report describes the condition of monetary circulation in more than forty provinces and districts. Certain provinces possess neither coins nor notes; in these provinces, in place of money, barter is resorted to or the *ma-ti-yin* is used,—an ingot of silver in the form of a horse-shoe which they “chop” and weigh when they use it. Moreover, it often happens that the weighing scales vary from place to place.

As to the system of weights and measures, the state of disorder is beyond imagination. The Powers, faced with the impossibility of finding in China any standard on which they could base calculations, when they made treaties of commerce and navigation with this country, fixed the bases of weights and measures by the Treaties of Tientsin. However, these measures are now used only by the Maritime Customs.

The Court of Ching tried towards the end of its rule to unify weights and measures, but without success. The Government of the Republic, in its turn, published in 1915, the “Law of Weights and Measure”, and the National Government in 1929 proclaimed a similar law, but all these laws have remained a dead letter, and the Chinese have continued to use the same methods as before, thus the system of weights and measures remaining as ununified as ever. For instance, according to the inquiry made by the Chinese, one *chih*, a unit of length, is equal in Shanghai, in inches, to 15° 274, whereas in Hankow and Peiping, it is equal in inches respectively to 13° 800 and 13° 750; these measures are again different in other districts, and often vary in the same district according to the nature of transaction.

The situation is the same in the matter of scales. Whereas in Shanghai a *tien-ping* is used, in Hankow a *chien-ping*, and in Tientsin a *shih-liu-ling-ping*. In practice Chinese and foreigners are obliged to ascertain the weight in daily dealing with their own scales.

As to the *mu*, a unit of area, it also varies according to the district. Mr. Morse maintains that a *mu* can vary from 3,840 sq. ft. to 9,964 sq. ft. If it were so, there would be a difference between the largest and smallest *mu* of no less than 6,124 sq. ft.

65
Regional independence is a normal state of things in China

§ 65—It cannot but be concluded from the fore-going that in China many different races continue their separate and independent existence under the generic name of China. This is a state of affairs, which is,

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fundamentally speaking, true to Chinese ideas. An alliance or combination may sometimes occur owing to some special circumstances or necessity, but such an alliance or combination lasts only so long as such circumstances or necessity continue. Above all, the moment the actual power of potentates declines, the land reverts to its normal condition of division and disorganization. This is because the population everywhere in China lacks the traits and elements which are essential to the life of a unified nation. The emergence of what is called a central government does not in the least signify the political and racial unification of China; it is nothing more than a transient phenomenon. Nothing can be more erroneous than to regard China as a really unified and ordered State in the generally accepted sense of the term.

CHAPTER IV

Disunity of China and the Militarist Domination

66
Militarist domination further aggravates disunity of China

§ 66—The chronic inability of China to achieve unification has been aggravated by the prevalence of militarism and by the struggles for power among the war-lords.

Over a long period of years the nominal unification of China was from time to time carried out mainly by armed force and this fact has invested supreme authority in the war-lords. When one war-lord succeeds in overcoming others and assumes power, the fact sometimes creates the impression that he rules over the whole of China; yet the system of government in China has invariably been one of decentralization carried to the furthest limit, the local powers being officially recognized as the supreme authority in each region as long as they offer no resistance or active hostility to the central power. Sometimes, the only link between the central authority and a local authority lay in the fact that the former received a stated amount of monetary tribute from the latter. A case in point is provided by the relations which in olden times existed between various outlying domains in Southern Asia and the central authority of China.

67
Real significance of local independence

§ 67—If it so happens that the central authority is unable to keep a local authority in check, it is usual for the local authority to sever its relations of subservience to the central authority, irrespective of whether the local authority actually declares itself independent or not. Proof of this fact is afforded by the history of China, extending over a period of several thousand years. But it is not necessary to go back far into history; a disinterested observation of the present Nanking Government is enough to bring one to a full realization of this fact.

68
Nanking Government is not a

§ 68—In 1926 General Chiang Kai-shek advanced northwards at the head of a great army, and in less than three years it appeared as if

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he had brought the whole of China under his sway. Even in those days, however, General Chiang's influence did not really extend to anything like the whole of China. To mention the Three Eastern Provinces alone, it was by virtue of a compromise arrived at between General Chiang and General Chang Hsueh-liang in 1928 that these provinces came under the control of the Nanking Government. The condition of this compromise was that General Chang should retain the autonomous rule of the Three Eastern Provinces, and that the orders of the Central Government should not run counter to the wishes of the Government of these provinces. It was further agreed that, if any orders of the Central Government were deemed injurious to the local interests, the Government of the region were entirely free to disregard such orders. The Government at Mukden were also able, as a matter of course, to resist any interference of the Central Government with local questions. In point of fact, though the Nanking Government called themselves a central Government, their authority did not extend at all to any part of Manchuria and Mongolia. The Mukden generals close to General Chang Hsueh-liang regarded the Nanking Government as a serious menace to themselves. Alive to the necessities of self-preservation, they did not desire any intimacy in their relations with Nanking. For this reason there was even a strong antagonism between General Chang Hsueh-liang and the militarist leaders of the old school under him. The only difference which the Three Eastern Provinces, after the compromise was reached as between the North and South, exhibited in comparison with the state in which the Three Eastern Provinces were in the days of General Chang Tso-lin and in the early period of the rule of General Chang Hsueh-liang, was that the flag of "Five Colours" had been changed to a flag of "White Sun in the Blue Sky"⁽¹⁾, and that a representative of the Nanking Government was invited to join the Political Committee of the Four North-Eastern Provinces⁽²⁾. These provinces constituted, for practical purposes, an in-

central govern-
ment in the true
sense of the term

- (1) The flag of five colours is that of the Chinese Republic; the Nanking Government adopted a new one called the "Flag of the White Sun in the Blue Sky", and the Mukden Government, when agreement came about with Nanking, replaced the five colour flag with the latter.
- (2) Manchuria was made up of the three Provinces of Fengtien, Heilungkiang and Kirin, and was called "The Three Eastern Provinces": after the agreement

dependent State.

It is unnecessary to add, moreover, that the Nanking Government are unable, either nominally or practically, to make their authority felt in any degree in the provinces on the Yangtze which are occupied by the communist armies. General Chiang has repeatedly sent his lieutenants for the subjugation of the communists, but they could not accomplish the task. General Chiang himself led a great army into Kiangsi, but he also was unable to attain his objective.

To make matters worse, in 1931, the Cantonese declared themselves independent. The influence of General Chang Hsueh-liang waned, and other adverse incidents occurred in rapid succession. In addition, in Honan a general rose in rebellion, and various influential chieftains in Shansi and Shensi refused to obey the orders of General Chiang. At the time when, towards the end of 1931, General Chiang retired from the position of the head of the National Government, the only localities to which the authority of the Nanking Government extended were the Provinces of Kiangsu, Chekiang and Anhui. Since the retirement of General Chiang, Canton and Nanking, which effected a compromise, have controlled what is to-day called the Central Government. Theoretically their sphere of influence is to some extent wider, when compared with the area controlled by them before General Chiang's retirement, inasmuch as it has been increased by the addition of Kwangtung, but in practice the so-called⁶ central authority has not yet been consolidated. It is even suspected that their position has rather weakened than in General Chiang's days.

This state of affairs does not apply to the present National Government alone. Exactly the same might be said of all the various authorities which have called themselves "central governments" in the past. The war-lords combine or dissolve, obey or disregard a "central authority", only as their selfish interests dictate. The consequence is perpetual local disturbances and sometimes a nation-wide turmoil.

between Mukden and Nanking, there was added the Province of Jehol which is situated to the west of the Province of Fengtien so that since then Manchuria is called "The Four Provinces of the North-East".

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CHAPTER V

The Régime of Private Armies of War-lords

§ 69—It has been shown above how the struggles for power among the war-lords aggravate the disunion in China. As they all have under their command their own soldiers, it is usual for their struggles for power immediately to give rise to civil wars. Various generals in China all maintain their own armies in the districts which constitute their respective spheres of influence. These armies are used for their private purposes only; they are never used in the interest of the country as a whole. In any modern country the army belongs to the State, the appointment of officers and such matters as mobilization and demobilization being state prerogatives. In China, however, these functions for the most part appertain to the militarist leaders in the provinces.

69
Private armies of
war-lords

§ 77—The central Government of China have no authority to issue orders to armies other than that which is under their own direct control. Even this Government army is quite abnormal in its composition. In some cases an army belonging to a militarist chieftain is nominally converted into a Government army, while in practice it continues to belong to that general. Sometimes rebellious troops are, on their subjugation, incorporated into the Government army, with only a slight modification of their original organization. There are not wanting extreme cases in which parties of bandits from the outlying localities have been placed in the Government army. As these private troops and bandits, after their incorporation in the Government army, usually continue to stand in the same relation to their former chieftains as before, the number of troops which are really at the direct behest of the central Government is severely limited, and by far the greater number of the so-called regular soldiers do not obey the central Government.

70
Central Govern-
ment commands
only their own
army

71
Significance of
the private ar-
mies

§ 71—The Chinese war-lords raise, train and mobilize soldiers, all at their own expense, in the same way as they acquire, maintain and dispose of their private property. A general and his army are always inseparable; his soldiers can in no case be separated from him. Therefore, the central Government of China cannot transfer a general from one army to another, as is done in the armies of any unified country. The change of post of a Chinese general is usually accompanied by the transference of his entire army to his new post.

This system of private armies gives rise to armed conflicts between militarist chieftains and intensifies the disunion in China.

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CHAPTER VI

Militarist Domination and Political Confusion

§ 72—The power of a Chinese war-lord rests upon the system of private possession of soldiers, and consequently the principle of the supremacy of armed forces underlies all political considerations. This principle of placing military power above everything else is at work in every department of legislation, justice and administration. Military commanders are selfish and arbitrary in the extreme; they seem to take the view that in their spheres of influence their authority is absolute and one which none can afford to defy.

72
Militarist supremacy

§ 73—The war-lords interfere with the civil administration of China. They appoint administrative officers at their will, and give the latter what instructions their militarist minds desire. Since the establishment of the National Government, rules concerning the appointment, dismissal and examination of officials have been established in accordance with the "Five Rights Constitution",⁽¹⁾ but these rules are in force only in those areas to which the authority of the Nanking Government extends. Even in these areas, however, there are frequent instances where these rules are completely disregarded by the military authorities. Even Cabinet Ministers are chosen entirely on the basis of the interests of the war-lords. Government officials in general find themselves in a position which is altogether ancillary to those who wield military power. Those officials who do not stoop to be the tools of the

73
Militarist interference with civil administration

(1) The fundamental idea of the "Five Rights Constitution" is the separation of the five fundamental rights—the right of administration, of legislation, of administering justice, of appointment and of inspection. The two last mentioned are of Chinese invention; the right of appointment implies the right to appoint officials after examination and the right of inspection implies the inspection of officials in their execution of the prescribed function.

war-lords cannot for long retain their position. It not infrequently happens that, for taking action contrary to the interests of militarist chieftains, or otherwise incurring their displeasure, civil officials are subjected even to capital punishment without any recourse whatever to law. Thus, administrative power is, in practice, usurped by the military authorities, and there can be no independent civil administrator. In this connection, on September 16, 1926, the Commission on Extraterritoriality in China submitted the following report to the Governments interested:

“One of the chief factors which militate against the normal administration of justice in China to-day is the interference with the departments of civil government by the military leaders. These leaders, possessing, as they do, their own armies engaged in constant warfare, exercise almost unrestrained authority over the lives, liberty and property of the people in the areas which happen for the time being to be under their control. This authority includes the power to control directly or indirectly, if they so desire, official appointments in the civil administrations both of the national and provincial governments with the exception of certain services, such as the Customs Administration, in which there is a large measure of foreign direction. The exodus to places of safety of civil officials appointed by one military party from an area, the capital included, which has just been taken over by their opponents is a matter of common occurrence.”

74
Militarist interference with administration of justice

§ 74—War-lords also interfere in a notorious degree with the administration of justice. On this subject a passage from the report of the Commission on Extraterritoriality mentioned above may be quoted:

“The military interference with the civil administration extends to the judiciary, so that the independence of this branch of the government is endangered. Irregularities in this respect usually occur under the guise of the application of martial law, which, however, is declared without regard to the legal provisions on the subject. In other instances, there is simply an open

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assumption of authority. Another important factor is the control by the military of the finances of the government, so that the courts are dependent upon the military for their financial support.

"By virtue of Chinese law itself, the legal position of the military renders them immune from the jurisdiction of the ordinary courts, while their power in fact often renders them immune from the jurisdiction of all courts. This immunity is liable to be extended to the friends of the military and to the commercial firms and organizations in which they are interested. Ample evidence of the foregoing is brought out by the fact that the military are constantly committing crimes which go unpunished, for it is generally difficult for aggrieved civilians to obtain any redress from military authorities commanding their own armies when such redress must be sought in military courts controlled by these authorities."

§ 75—How the Chinese war-lords have interfered with the legislation of the country is evident from a glance at the constitutional history of the Chinese Republic. The task of legislation belongs to Parliament, but successive Chinese Parliaments, ever menaced by militarists, were usually short-lived. The Parliaments in the past have so far enacted only the Provisional Constitution, the Constitution of 1923 and four or five other statutes. These Constitutions are disregarded by the militarists, who often dissolve Parliaments by force. At one time they refused to allow Parliament to convene, without minding in the least the violent outcries raised by its members. Armed, as they were, with military power, they set Parliament completely at naught. In the sequel, the President, State Ministers and local authorities, without any constitutional authority, presumed to enact laws and regulations. These officials, from the President downwards, owed their positions to the favours of the war-lords. It is practically impossible to expect that these militarist leaders should show any respect to the laws and regulations enacted by such officials. After the establishment of the National Government, a new constitution was formulated in conformity with the "Three Principles of the People". Under this Constitution the principle of

75
Militarist interference with legislation

five separate authorities has been established, five *Yuan* or boards, being organized,—of legislation, administration, justice, appointment and inspection. Disregard of these fundamental laws of the land by the militarists has since then been less serious, so far as the domain of the National Government is concerned. But in China, taken as a whole, the principle of the primacy of armed force continues to dominate as ever, and it is not too much to say that the general prevalence of militarism has in no way been modified by the foundation of the National Government.

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CHAPTER VII

Extortion by War-lords

§ 76—The influence of a war-lord is measured by the strength of his soldiers, and by the financial resources at his command for supporting them with the result that militarists have to incur vast expenditures for the purpose of maintaining, or expanding, their power. Though they possess private soldiers, they never pay the consequent expenses out of their own purses, but resort to taxation or other forms of raising public revenue. The receipts from such sources, however, are seldom sufficient to meet their requirements. Hence the principal sources of revenue to which they look most eagerly for the wherewithal to support their soldiers are the issue of loans and inconvertible notes and the exaction of contributions from the wealthy and merchants.

76
Extortion by war-lords

§ 77—How large the military expenses are can be gathered from the ratio which they bear to the total amount of general administrative expenditure. The total expenditure in the budget of the National Government for the year 1929 amounted to \$450,000,000, of which no less than \$210,000,000 represented military expenses. In other words, the military expenses covered nearly 50% of the total expenditure. In the budget for the year 1930 military expenditure amounted to as much as 70% of the total outlay. In view of the fact that in addition to these figures included in the ordinary expenditure, the special appropriations of the provincial governments for military expenses were enormous, it may be said that by far the greater portion of the public revenue of China is wasted in the struggles of militarist chieftains for power.

77
Military expenses form a great portion of Government expenditure

The principal sources of revenue to which the war-lords look most eagerly for the wherewithal to maintain their soldiers are not taxation and fees, but the issue of loans and inconvertible notes and

the exaction of contributions from the wealthy and from merchants who have political affiliations.

78
Utilization of domestic loans

§ 78—In China domestic loans have come to be issued in comparatively recent years. Formerly foreign loans were almost the only means by which the necessary funds could be raised, but of late years it has become almost impossible to issue any further foreign loans, owing to the lack of securities, the outbreak of anti-foreign movements, the desire of foreigners for the prevention of Chinese civil disturbances, the growing apprehensions of foreign financial groups regarding the soundness of further investments in China. It has, therefore, become necessary to rely mainly on domestic loans for the upkeep of armies. In only a few years after the establishment of the Nanking Government (i.e. by January 1, 1931), their domestic loans had reached the amount of close upon \$600,000,000. When the loans issued by the provincial militarists are taken into account, the total will at least amount to ten times that figure. It is a well known fact that in floating loans, all kinds of enticements and also threats are employed. A portion of these loans is perhaps redeemable, and some loans are being actually redeemed. But there is very little hope for the redemption of the greater portion of those loans. In not a few cases, the personages responsible for the loans issued have lost their position, and in such cases there can be no possible prospect of redemption.

79
Exaction of contributions

§ 79—It is the wealthy people and “political” merchants in the provincial localities and banks established by such persons that suffer most from the issue of domestic loans. Not infrequently a financial panic breaks out owing to such loans being issued.

From time to time the war-lords endeavour to exact contributions from the wealthy classes. Any person who resists the demand, is, on one pretext or other, confined and threatened sometimes with capital sentence. Even these extreme measures do not yield all the required amount of money.

80
Issue of military notes

§ 80—Accordingly the war-lords issue “military vouchers” and also paper money. These notes the general public are compelled to accept.

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There is, of course, no law providing for any system of reserves for such note issues. Even if it existed, the militarists would not allow themselves to be restrained by it. They issue these notes as their selfish requirements dictate, practically without limit. Consequently such a note falls rapidly in value, in some cases the market value depreciating to no more than some thousandths of the face value. How serious is the loss sustained by the public can well be imagined, nor is it necessary to mention the magnitude of the evil consequences upon the general economic situation. It is no wonder that the people should dislike "military vouchers", and paper money, and that they should refuse to accept them in business transactions, or accept them only at a tremendous discount. Yet the military chieftains and the civilian officials, who are the former's puppets, strictly prohibit the non-acceptance of these notes, and there are some cases where the violators of this prohibition have even been punished by death. The Report of Commission on Extraterritoriality in China quotes an instance of this sort:

"On June 15, 1926, the Commander of the Metropolitan Garrison issued an order aimed at the prevention of speculation in an issue of military notes in circulation in Peking and its vicinity since the time of the occupation of Peking in the preceding April by the military party concerned. The order in question does not appear to have been issued as a result of any recognized legal process, but rather to have been declared in force by the military party in power at the time. A translation of the last paragraph of the order reads as follows:—

" 'Since the issuance of this announcement, if any such case be found repeated (note speculation), the culprits will be beheaded immediately upon arrest in accordance with martial law'."

Even to-day such instances as the above are to be met with everywhere in China. It is needless to enlarge upon the misery which the extortionate practices of the war-lords have brought upon the innocent masses.

CHAPTER VIII

Misrule of the Changs

81
Bad government
of the Changs

§ 81—Among the examples of bad government and of extortion by militarists, the particularly evil rule of the Changs, father and son, who for twenty years exercised despotic power in Manchuria and Mongolia should not pass unnoticed.

The people of these regions long desired the end of this tyrannical administration; this desire became more manifest when, after the death of Chang Tso-lin, the young Chang Hsueh-liang, his son, succeeded him, and the power of the Chang family began to decline. Local military leaders and officials began to set on foot an anti-Chang movement in order to overthrow the family; notably the generals and former high officials, who at one time had been on the most intimate terms with the Chang family, conspired on several occasions in somewhat extensive manner against this family, although these attempts were repeatedly frustrated by Chang Hsueh-liang.

82
Issue of paper
money

§ 82—One of the main evils of the Chang administration was its issue of paper money. Indeed, paper money was issued by the Chang family not only in Mukden, the seat of its power, but also, in the Provinces of Kirin and Heilungkiang under the rule of powerful generals closely connected with the Chang family.

Their issue was effected against no security and in great quantities. It is impossible to know exactly their amounts, the figures thereof having never been published. However, the sum of the paper money issued at Mukden up to the end of 1917 was \$16,900,000 (according to a Chinese report), which swelled by November, 1925, to \$513,700,000 (figure given by the Japanese Chamber of Commerce at Mukden) and to \$1,300,000,000 (figure given by the same body), in 1928. Since then, the amount has increased considerably. Naturally the money dropped

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fast in value. 100 yen Japanese, exchanged in 1917 for \$110 of "Fengtien-piao" (paper money of the Mukden Government), was worth in 1925 \$490, while in 1927 \$4,300, and at times as much as \$5,000. The Mukden note since then only depreciated more and more.

The Chang family issued paper money, in order on the one hand to cover its budget deficit arising out of its frequent wars in China Proper, and on the other hand to secure heavy profits on the purchase of the staple products of Manchuria.

The wealth of Manchuria, as everyone is aware, has increased in an astonishing manner during the last few years in proportion to the development of external trade. For instance, the soya bean was exported in 1929 to the value of 168,169,258 *Haikuan taels*, to Japan, Great Britain, the United States, Germany, France, Russia and other countries. Now if the Chang family wanted to buy this Manchurian product, it issued "Fengtien-piao" to provide itself with the necessary funds. It not only bought spot goods but very often speculated in futures and cornered the soya market. To secure profit in the latter kind of transaction, there needed no more complicated operation than issuing more "Fengtien-piao" as that caused a rise in prices.

When the harvest season approached, the Government Bank, *Kuanyinghao*, and other banks more or less in close touch with the Government, would cease to grant credit to merchants for the purchase of the produce; or else the Government would forbid private credit undertakings and merchants to buy Manchurian products, in order that it itself might secure a monopoly over them. Even if the Mukden Government did not have recourse to either of these means, it was certain that the ordinary merchant could not compete with the Government with an infinite quantity of paper money at their disposal.

Perhaps one need hardly say here that the *Kuanyinghao* as well as the Government commercial agency called the *Liangtsan*, were all in terms of special intimacy with the Chang family; and taken together, they constituted an organized body for conducting the commercial undertaking of the Changs.

§ 83—The farmers were obliged to take paper money for their produce, which the Chang family resold to foreign merchants at Dairen for

83
Sale of farm produce demanded in

exchange for in-
convertible paper
money

sound currencies, or they were thrown on the Mukden market at a current rate of exchange, or hard cash. The printing of paper money could always be managed, as it cost the Mukden Government only the expense of paper and printing; and the profits secured by forcing the people to accept it in exchange for hard cash were beyond imagination. It often happened that a farmer, having exchanged his products for a great number of "Fengtien-piao", found a few days later the value of these notes diminished almost to nothing.

The people thus victimized complained at different times; but the Mukden Government paid no attention. A few years ago the President of the Chamber of Commerce of Mukden asked the Government to withdraw as quickly as possible all the new paper money then in circulation. The Government paid no heed whatsoever, but, laying the blame of the depreciation in value of the paper money upon those whom they called the "wicked merchants", arrested them, or confiscated their property. There were some put to death on the charge of "causing disturbances to the credit market"!

Some of the direct results of the irresponsible issue of inconvertible paper money were the ruin of bankers and of merchants; the sufferings of the working classes and the consequent increase of labour troubles; the menace to the livelihood of salaried employees; and the frequent credit crisis leading to economic depression and wide-spread social unrest.

84
Other measures of
extortion

§ 84—There might be quoted among other methods of extortion practised by the Chang family and its allies the order forbidding the export of cereals and live stock. The order, enforced ostensibly in pursuance of policies of ensuring food supply and regulating the price thereof, was in fact only a useful pretext for exacting fees for export license. The ordinance forbidding the consumption of opium, promulgated on the 17th of January, 1927, was also nothing but another measure for the collection of license fees, which amounted, it is said, to as much as \$10,000,000 annually. It was the same with the land development plan of 1922. Though pushed forward under the guise of town planning or of stimulating the clearing of land, it had one aim only in reality, viz:—the purchase of private estates at a low price

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with a view to reselling later at a higher price while the profits deprived therefrom, instead of being applied, as announced, to public works, were expended for military purposes.

The Mukden authority, if it could not find any further way of imposing upon the people, always turned without hesitation to the raising of taxes: this method, resorted to in the month of November, 1925, brought to the Mukden Government an increase in annual receipts of \$22,000,000, which represented an increase in tax of 2 dollars *per capita*.

If we now look at the finances of the Province of Fengtien we see that the budget for 1931 provided for educational purposes only \$2,874,000 out of a total revenue of \$85,173,000, whereas a sum of \$76,076,000, representing nearly 90% of the total revenue, was appropriated for military expenses. The appropriation for commerce and industry, was only \$60,000. The percentage of military expenses in proportion to the total budget in the time of Chang Tso-lin reached 92% in 1927, and 97% in 1926.

Moreover, it must be pointed out that all the transportation and industrial undertakings as well as the other enterprises essential for the development of Manchuria were in the hands of the Chang family and the military chieftains dependent upon them. The result was that the militarists in Manchuria were simultaneously officials, bankers, merchants and landed proprietors, constituting an all powerful machine of extortion. It was this group that completed the net work of Chinese railways, encircling the South Manchuria Railway. The military chiefs and their subordinates always grabbed practically all of the lands along these railways that might later rise in value.

The haste with which the immigrants in Manchuria from the Provinces of Shansi, Chihli and Shantung, send home their earnings is still another evidence of militarist extortion.

In short, Manchuria has seen its commerce and productiveness develop in an astounding manner in the recent years, but the people, under so close a net of extortion and compelled to minister to the pleasures and ambitions of the Chang family, have been entirely cut off from the opportunity of promoting their interests and expanding their activities.

CHAPTER IX

Bearings of Personal Conflicts among War-lords on Civil Wars

85
Disturbances due
to the private
struggle among
war-lords

§ 85—The struggles proceeding among the war-lords for their own private purposes lead to civil wars. Ever since the establishment of the republican form of government internecine wars have almost incessantly raged over the whole country subjecting the people to indescribable miseries.

It is to be noted that the struggles among the military chieftains occur, *inter alia*, from attempts to acquire as their respective spheres of influence richer and more developed territories. Therefore, it is these very territories that are most often converted into battlegrounds, making wars the more devastating. The Province of Honan was known by the epithet of "Chung-yuan" (Middle land), being noted for its thriving industries and for the fact that its people were richer than in any other locality in China. This province, however, is not far from Peking, and on the direct line of march to the former capital from the South. This geographical position combined with its wealth, which is so attractive to the war-lords, converted the province again and again into the scene of war. As a result, the poverty and difficulties of the population of Honan are at the present day even more serious than in other provinces in the neighbourhood.

On the other hand, note must be taken of certain circumstances peculiar to China, which render civil wars highly destructive in the areas affected.

86
Plunder by sol-
diers and inhabi-
tants during dis-
turbances

§ 86—One of these circumstances is the open perpetration of depredations by both soldiers and civilians. Even in the midst of fighting soldiers go on a round of spoliation, looting every respectable house they can lay their hands on. While a number of civilians from among the

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local inhabitants, also take to plundering side by side with the soldiers. Any article which can be taken away and converted into money is carried off, even articles of a very small value. Usually nothing whatever is left in a plundered house, as was experienced in the havoc wrought to the Consular offices and the dwellings of foreigners at Nanking in the year 1927.

So notorious is the predatory characteristic of Chinese soldiers that credence cannot be withheld from the allegation that the reason why they are satisfied with extremely scant pay and welcome war, in which their lives must ordinarily be at stake, is to be found in their expectation of gains from spoliation. Even in peace time it is not infrequent that they go about in groups, looting and plundering. Such predatory activities on the part of Chinese soldiers are usually connived at by their employers, the generals, especially when the latter are unable to pay them. The militarist leaders do not always possess sufficient funds. Even if they do, some of them prefer the amassing of private fortunes to giving soldiers their pay. It is, therefore, nothing strange that in China officers and men should fail to receive their pay. Very often non-payment continues for no less than a whole year, and even more. Such treatment the soldiers accept with alacrity, and offer it as an excuse for their brigandage.

§ 87—The Chinese do not call their soldiers simply soldiers, but call them "soldier-bandits". They detest and dread "soldier-bandits" more than ordinary bandits. This is because ordinary bandits come only when the people are off their guard or when other special opportunities exist, carry off only such articles as they can carry away to a distance, and give up those whom they take as hostages upon the payment of a stated amount of ransom, while the "soldier-bandits" are permanently stationed in a given locality, and plunder openly and continually, as their insatiable rapacity demands.

87
 "Soldier-bandits"

The barbarous activities of "soldier-bandits" are not directed only against the Chinese population, but also, and as virulently, against foreigners.⁽¹⁾ To refer only to recent incidents, there are scores of in-

(1) *Vide* Appendix A-2 "Tables showing Outrages committed by Chinese on Foreigners other than Japanese in China."

stances where on the Yangtze the vessels of Japanese, American, British and other nationalities have been fired at, or looted, by Chinese soldiers. Incalculable damage has been also done to the residences and shops of foreigners, and a large number of foreigners have been slaughtered or violated by Chinese soldiers. In former days the Powers regarded such incidents and outrages as constituting a *casus belli*, or sometimes used them as pretexts for exacting from China political and economic concessions.

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CHAPTER X

Relations between Civil Wars and Bandit Activities

§ 88—Civil wars stimulate bandit activities in a twofold fashion. In the first place warlike disturbances naturally weaken police surveillance. In the second place, when defeated in battle, no small number of soldiers flee with their arms and ammunition and enter the ranks of bandits. In this way, civil wars, besides themselves devastating the area affected, produce very serious repercussions on local peace and order not only in that they facilitate the activities of bandits, but also in that they serve to increase the strength of these lawless elements.

88
 Civil wars facilitate banditry

§ 89—There exist bandit bands of various descriptions. The large ones, comprising hundreds and even thousands of men, are daring in conduct and swift in action, and armed with efficient weapons of modern warfare. The Kwangtung and the Manchurian bandits are especially powerful, being in no way inferior, either in discipline or in organization, to the regular troops of China. Moreover, bandits display a peculiarity distinctly their own. Among these outlaws a strong bond of attachments—comparable to that which links together father and son—exists between the men and their chieftain. The men are willing to sacrifice themselves if only for the sake of carrying out the orders of their chief. Such whole-hearted devotion cannot be expected of the regular Chinese troops, who are in many cases no better than hired labourers. There are, therefore, not wanting brigand bands which are, in actual strength, superior to Government armies. Above all, the tens of thousands of brigands in Central and South China, who profess communist militarism and are known as "Communist Bandits", have often shown themselves in actual combats to be formidable opponents to Government troops.⁽¹⁾

89
 Formidable strength of bandit bands

(1) Vide Appendix A-3; "Communism in China."

90
Subjugation and
conciliation of
bandits by Gov-
ernment troops

§ 90—Naturally the Government troops only venture to suppress small and inferior bands, avoiding as far as possible encounters with the stronger ones. Sometimes they treat with bandits, and arrange for their withdrawal from a given locality in consideration of presents in money and in kind. Not infrequently they even furnish bandits with the cost of livelihood.

Sometimes the Chinese authorities find a means of circumscribing the prevalence of bandits by the simple expedient of buying them over. In this connection, reference may be made to the bandits who amazed the world some years ago,—the bandits who, in May, 1923, attacked an express train near the Lincheng Station on the Tientsin-Pukow Railway, and took captive over a dozen foreigners of British, American, Italian, French, Danish and Mexican nationality, including women and children, together with over 300 Chinese passengers. These bandits, be it noted, were never punished by the local authorities. On the contrary, of these bandits, over 2,000 men, who were possessed of fire-arms, were re-organized into a regular army division with their chieftain and other important men commissioned as officers therein! The rest of these bandits were furnished with travelling expenses, and then, with the assurance that they would on no account whatever be pursued, were sent back to their native places.

Such measures as these are not limited to the Lincheng Affair alone. As a matter of fact, there are no small number of instances where militarists have resorted to the expedient of incorporating bandits into their forces, as the most advantageous way of raising an imposing army. The reason is that bandits have military training and are accustomed to disciplined life besides being equipped with weapons of war. They are, so to speak, ready-made soldiers. Not only is it a convenient way of meeting the urgent requirements of the moment, but it is also decidedly economical, for coolies recruited from city street must be provided with arms at great expense, and must moreover be trained before being organized as regular troops. In addition, whereas it is necessary, if only for the sake of form, to employ policemen or troops at no small cost for the preservation of local order, economies can be effected if the necessity for police measures is lessened as the result of disappearance of bandits. These circumstances have combined to make militarists resort frequently to the contrivance of buying over bandits.

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Not a few former bandit chiefs have distinguished themselves in their military careers. Their followers, transformed into regular troops, often surpass in influence other fellow soldiers in their adopted army, because of the superior discipline and organization which they have had since their bandit days. It is a notorious fact that such familiar names as General Chang Tso-lin, General Chang Tso-hsiang and General Ma Chan-shan were formerly bandit chiefs.

In view of this fact, the small bands of bandits infesting various localities are led to resort to tactics of combinations or alliances, so that they may ensure their safety and subsequently attain to positions of eminence. Young men of vaulting ambition are sometimes found voluntarily throwing in their lot with bandits. They consider brigandage a stepping-stone to a brilliant career.

CHAPTER XI

Difficulty of Distinguishing Regular Soldiers from Bandits

91
Difficulty of dis-
tinguishing regu-
lar soldiers from
bandits

§ 91—The conditions of bandits being as above described, there is no definite distinction between them and regular Chinese soldiers, either in fighting strength or in outward form. It may be said that those who receive pay from the Government are regular soldiers, while those that make their living by plunder are bandits. It has, however, been shown that the non-payment of salaries makes regular soldiers go plundering, and even bandits sometimes receive pay or allowances from the Government, as was witnessed by the example afforded by the Lin-cheng Affair. The matter of pay cannot, therefore, be made a criterion for distinguishing regular soldiers from bandits. The fact is that a man who is a regular soldier to-day may to-morrow join the ranks of bandits, and a bandit of to-day may be a regular soldier of to-morrow.

There is no definite difference in the respective components of the two classes. It cannot be imagined that bandits whose regular occupation has been plunder should change into law-abiding people immediately after they are reorganized as regular troops. There is no conscription system in China, and soldiers are commonly levied from among coolies, presumably because of the question of pay, and it is inevitable that these recruits should include former bandits. There is among such soldiers absolutely no member of a family of good standing.

Not only is there no inherent difference between the regular soldier and the bandit, but in point of actual conduct it is in many respects impossible to draw any distinction between them. Regular soldiers consider it their perquisite to loot and plunder, openly and in organized groups, in the localities in which they are stationed or through which they pass, before, during and after a war. Even in peace time there are not a few cases in which, because their pay is not forthcoming, or for other reasons, they are tacitly allowed to indulge in plunder.

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Their outrages do not stop here. They do not scruple to maltreat and slaughter unresisting and innocent people. They extort contributions. They sometimes demand of local chambers of commerce and other bodies an enormous amount of money in return for their refraining from plunder or by way of remuneration for their withdrawal from the localities affected.

It is said that the only difference between regular soldiers and bandits is whether an hostage is carried away or not. This means that both are precisely alike so far as the extent to which they commit plunder and other outrages is concerned, but that, while bandits take away hostages and demand ransom, regular soldiers exact contributions.

In appearance also it is sometimes impossible to tell regular soldiers from bandits, for defeated regulars, after their flight from the front, continue to wear military uniform and go in organized groups, practising brigandage under the orders of their commanding officers.

CHAPTER XII

Bandits in Manchuria

92
Organization and
training of Man-
churian bandits

§ 92—The regions in China where brigandage is most rife are the mountainous districts in the South, especially the borderland; the Provinces of Kwangtung, Fukien, Kiangsi and Shantung; and various localities in Manchuria. The Kwangtung and the Manchurian bandits are superior to their *confrères* in other regions, in organization, training and military equipment.

Among the Manchurian bandits there exist a strict class distinction, and a puissant *esprit de corps*. They live together in the mountain fastnesses for many years; they fight on the principle that they must stand or fall together; they are aware that the best means of preserving themselves is to strengthen their organized power. This is something which cannot be expected of regular Chinese soldiers in general, who have enlisted in consideration of their daily pay of a few pence.

The organization of a Manchurian bandit band is somewhat like that of an army, all the members being pledged to obey the orders of their respective superiors. A chief, who has absolute power of command over all his subordinates, is at the head; he is followed by vice-chiefs and sub-chiefs, under whom are sentinels and fatigue-duty men. The band is composed largely of vagabonds, including some to whom brigandage is a hereditary occupation. Next come ex-soldiers and ex-policemen; also gaol-breakers and ex-convicts. These men are mostly between the ages of 20 and 30 or thereabout. Arms are obtained or forcibly taken from deserters from the army or police, although sometimes they are purchased in large quantities. Most of the weapons are of old type, consisting chiefly of rifles and pistols, but not infrequently some of them are seen in possession of trench mortars and machine-guns. The bandits receive a certain degree of military training, and strict rules are enforced among them. Should these rules be violated, the offenders are in most cases shot. In celerity of action and in discipline,

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these bandits are in no way inferior, if not superior, to the general run of regular Chinese soldiers.

The dens of Manchurian bandits are located principally in the Province of Kirin, in those wooded parts of the Province of Fengtien near the Korean frontier, in the districts of Chengchiatun and Tunghwa, and also along the South Manchuria Railway and in the direction of Liaosi. However, there is practically no district in Manchuria which is free from banditry. The parties of bandits vary greatly in size, the larger of them being composed of 8,000 or 9,000 men. Since the occurrence of the present Manchurian Affair, regular soldiers, foiled in their warlike activities, have turned bandits in large groups, and are carrying on in many localities their predatory operations. There are also bandit parties which operate under the mask of "patriotic organizations", at the instigation of regular armies, and with the connivance and even financial support of the Government authorities. Such "patriotic" bandits have notably increased, especially in the Liaosi districts. Everywhere they threaten the lives and property of foreigners, and harass the innocent inhabitants, resisting any punitive expedition that may be sent against them.

The total numbers of bandits and of their parties reach very considerable figures. Formerly the number of bandits was estimated at between 40,000 and 50,000, and that of the bandit parties at over 100. At the end of 1931, however, it was estimated that the bandits numbered about 70,000 in all, while the total number of the parties into which they were divided was put at 267. It should also be noted that they have in recent years come to possess arms of greater efficiency, a comparatively large number of machine-guns and trench mortars of the latest type being now in their possession.

§ 93—All parts of South Manchuria and all the localities along the Chinese Eastern Railway are infested by bandits. The havoc done by them is incalculable. In two months alone, viz. from September to November, 1931, bandit raids numbered 1,600, the total number of participants in these raids amounting to no less than 232,500, if each instance of participation is separately counted. The victims numbered 623, comprising five Japanese, 135 Korean-Japanese, one occidental and

93
 Japanese victims
 of bandits

482 Chinese. The activities of these bandits still continue unabated.

Among the foreign victims of brigandage, the Japanese have suffered most. Since the year 1925 about 20 Japanese have each year lost their lives, the number of Japanese injured yearly being about 30, while from 9 to 90 were carried away as hostages.

Those Chinese soldiers, who after their recent collision with Japanese troops fled into the interior districts from Mukden, Changtu, Fenghuangcheng and other localities, committed all manner of barbarities,—plunder, incendiarism, rape, slaughter and so forth. Especially the manner in which Korean settlers in the interior were murdered or maltreated defies description. In the few weeks between the middle of September and the latter part of October, 1931, and only in so far as the all particulars as to date and place have been ascertained, 370 men and women were massacred, 50 women violated, 300 houses burnt and about 2,000 houses sacked. Other outrages committed during the said period, of which some particulars have been obtained, but of which the definite date is not known, include 180 men and women murdered, about 100 women violated, about 500 houses burnt and about 1,000 houses looted. In addition, many barbarities are reported to have been committed farther inland, where it is practically impossible to conduct investigations. When these barbarities are taken into consideration, the extent to which Koreans have suffered at the hands of bandits must be many times more serious than is indicated by the figures above.

Many Koreans have abandoned their homesteads, and sought refuge in the South Manchuria Railway Zone. According to investigations made in November, 1931, such Koreans numbered over 4,000 in Kirin and Changchiatun together, about 650 in Fushun, 97 in Mukden, 405 in Tiehling, 459 in Ssupingkai and 258 in Newchwang. All the other important towns in the Railway Zone also are providing shelter to these refugees.

94
Instances of atrocities committed
by bandits on
Japanese

§ 94—In order to afford an idea of the kind of atrocities which bandits have perpetrated on Japanese, especially Koreans, a few instances out of many are given hereunder:

1) In a village in the Province of Fengtien the bandits separated, men from women, the Korean inhabitants numbering over 60.

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Men were immediately butchered; women were first violated and then beaten to death. One of the women had a two-year-old baby on her back. A bandit, annoyed by its crying, killed it on the spot by crushing its head with the butt-end of his rifle. The mother was then violated and ultimately butchered.

2) In slaughtering their victims bandits make use of choppers for cutting fodder. While a victim is still alive, his, or her, head and limbs are chopped off; the head, trunks, arms and legs, completely severed, are scattered about. In other cases, they beat their victims to death with the butt of a rifle. The ghastliness of these atrocities is beyond imagination.

§ 95—Owing, however, to the recent efforts of the Japanese troops, the activities of Manchurian bandits have gradually decreased, and many of them have moved to the more outlying districts. Accordingly, there has lately been a noticeable diminution in the sufferings of Chinese and foreigners, but it is true that, in districts to which the wholesome influence of punitive expeditions does not extend, brigandage continues to be as rampant as ever, and the inhabitants are constantly menaced. If, under the present state of affairs in Manchuria and Mongolia, the Japanese troops should withdraw, bandits would again overrun all the important localities to the utter subversion of peace and order; industrial and other peaceful undertakings would come to a complete standstill; both native and foreign residents would see their lives and property exposed to serious and constant danger; and these regions would be reduced to the hopeless level of those other localities in China which are war-torn and bandit-ridden. The consequence would be of vital importance to Japan.

95
 Subjugation of
 bandits by Japa-
 nese troops

CHAPTER XIII

Bandits in the Province of Kwangtung

96
The bandits of
Kwangtung

§ 96—There are bandits which are equally, if not more, notorious to those of Manchuria. In the Province of Kwangtung there are, it is calculated, about a hundred and twenty to thirty thousand of them, who may be divided into three groups: professional bandits, farmers who are half bandits, and other habitual bandits. Here we shall deal chiefly with the professional bandits.

Situation in the Eastern Districts of the Province

In the eastern districts of the Province of Kwangtung there are to be found two kinds of bandits: those who profess communism and those who do not. Bandit bands vary in size. The largest one, being reputed to be 2,000 strong, possesses modern weapons, such as machine-guns, rifles, revolvers, hand grenades, and maintains an organization and discipline under a chieftain. Some have frequently clashed with the Government troops, while others have been incorporated into the regular army. At present, setting the so-called communists aside, their total exceeds 3,000.

Situation in the Delta District of the West River

It is chiefly in the delta district of the Sikiang, or the West River, that large forces of Cantonese bandits make their appearance, continually laying waste the district.

According to a Chinese official report the largest band is composed of 4,500 men, in possession of more than 1,200 Mauser rifles, 350 pistols, 120 muskets, 56 revolvers, several machine-guns, guns, torpedoes, boats, etc. They have a munition factory able to turn out 5,000 rounds of

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bullets a day. It is even said that they intended to buy aeroplanes. There are some bands whose organization is formed in imitation of army regiments. There are also twenty-five bands of from one hundred to three thousands men each, possessing modern arms, moving almost in military fashion, and of extremely formidable strength. When disturbances in the province occur, they place themselves sometimes on the side of the Government forces, sometimes against them, and fighting along with regular troops, they have won considerable prestige. For these reasons their suppression by the Government army is very difficult, and it is often found necessary to conciliate them. The numerous recent disturbances in Kwangtung served to augment the strength of the bandit hordes by causing fugitive soldiers to join their ranks either individually or in organized parties.

The Upper Reaches of the West River

The bandit bands of these regions are generally less important when compared with those described above. Their weapons, composed of a few machine-guns, rifles, revolvers and sabers, are meagre. Notwithstanding, the strongest of them have as many as seven hundred men, and are not to be despised.

The Districts to the North of Canton

These districts come immediately next to those of the lower part of the West River as regards the strength of the brigand bands.

They have eleven well-known bands, each more than five hundred strong. The largest group has three thousand men. Their weapons and discipline are not different from those of other bands; and in fighting they have often proved themselves to be more effective than regular troops.

The Districts on the Kwangsi Borders

From ancient times these districts have been infested by brigands. They make their appearance frequently and their strength is formidable. Their chief aim is to intercept the opium in transit from Yunnan by

land *via* Kwangsi and to take toll on the drug. The best known bands at present are eight in number, and of these the strongest has two thousand regular members and four thousand on reserve, some of them having been originally regular soldiers.

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CHAPTER XIV

Injuries Occasioned by Bandits to Foreigners Other than Japanese during the Past Ten Years*

§ 97—Some of the conspicuous misdeeds of which foreigners have been the victims will be cited in the present chapter.

97
 Injuries occasioned by bandits to foreigners other than Japanese during the past ten years

1. *The Honan Affair* (1922)

In May, 1922, immediately after the war between Mukden and Chihli factions in the Province of Honan, bandits appeared in all directions and inflicted much injury on the native population; then in August of the same year they attacked Shenchow, where they carried off a French and a Greek engineers, employed in connection with the Lung-hai Railway. In October and November of the same year, they carried off British, American, French, Italian and Swedish missionaries, who, however, were all rescued through the pressing demands made by the Diplomatic Body and the Consular Body upon the local authorities.

2. *The Coltman Affair* (1922)

The same year, in December, an American, Charles Coltman, loaded four motor-cars with \$60,000 of silver coins. He intended to take them from Changchiakou to Uрга; but on the way, in the environs of Chiangchiakou, he was attacked by Chinese regular soldiers and seriously wounded, dying not long afterwards.

* *Vide* Appendix A-2; "Tables Showing Outrages Committed by Chinese on Foreigners other than Japanese."

3. *The Lincheng Affair* (1923) See § 90

4. *The Nanking Affair* (1927)

In March, 1927, on the occasion of the occupation of Nanking by Nationalist Revolutionary Army, violent disturbances broke out, inflicting heavy losses upon the lives and property of foreigners, which included:—In the first place, as regards Great Britain, the pillage of the Consulate, involving cases of two killed, three wounded, and of the detention for two days of the Consul-General (seriously wounded) and of six other members of the staff, and in the second place, as regards the United States, the thorough-going pillage of the Consulate, the house of the staff, the school, firms and offices, and burning of ten buildings with one man killed and two wounded. British and Americans who had assembled near the residences belonging to the Standard Oil Company were robbed and shot at. An American soldier was seriously wounded. The British shops were all pillaged; a British marine belonging to H.M.S. *Emerald* was hit and fell dead. Also, there occurred the murder of a Frenchman and an Italian.

5. *The S.S. Haiching Affair* (1930)

In 1930 the British steamer *Haiching*, sailing from Swatow to Hongkong, was attacked by a score of pirates, who had come on board, disguised as passengers; two British engineers and two Indian inspectors were either killed or wounded.

Since 1921, there have been 14 attacks on British vessels, 7 on the vessels of countries other than Japan, and 20 on Chinese vessels. But apparently these do not complete the list of all the cases of bandit attacks on vessels. (*Vide* Appendix A-1, "Chinese Pirates.")

6. *The Massacre of Missionaries* (1930)

In June, 1930, in the environs of Kienning in the Province of Fukien, two British missionaries, Miss Harrison and Miss Nettleton, were carried off by bandits who sent by post a finger of one of them enclosed in a notice threatening to kill the hostage if they were not

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immediately paid \$5,000. The bandits shot both missionaries when the troops were sent against them, and made their escape.

7. *The Thorburn Case (1931)*

John Hay Thorburn, a British youth, 19 years old, of Shanghai, disappeared early in June, 1931. The British authorities did their best to trace him and learned that he had left Shanghai on the morning of June 1 for a trip into the interior. Near the Kunshan station of the Nanking-Shanghai Railway, he was challenged by Chinese gendarmes who were guarding the tracks. Thorburn fired his revolver, killing two of the gendarmes, and escaped. Captured the next morning by soldiers, he was taken to Soochow, where he was kept in custody and treated cruelly, and ultimately murdered on an island in the Taihu Lake.

Chinese Government first rejected the British demand for a joint investigation, but after an inquiry conducted by Chinese authorities alone informed the British Minister that Thorburn had never been captured or detained. Subsequently, on October 10, however, on receipt of a strong protest from the British Government China admitted the facts of the case as above.

In the course of the past ten years, besides the above and leaving out the Japanese, 34 foreigners (British, American, French, Belgian, Finnish, Canadian and Indian) and also two persons of unknown nationality were murdered. The number of those who sustained bodily injury is 16 (British, American, French, Portuguese and Indian), and 1 of unknown nationality. The number of persons who were carried off is 112 (British, American, Germans, French, Belgians, Norwegians, Swiss, Greeks, Italians and Spaniards), and 33 of unknown nationality. Further, British, Americans, Germans, French, Belgians and Swiss, to the number of 21 were victims of pillage and destruction. Five women, British, American and French, were outraged. Eleven attacks occurred on British, American and Portuguese ships and two on ships of unknown nationality.

And yet, up to the present the number of the culprits, captured and punished is extremely limited. On the contrary, there were some amongst them who as in the Lincheng Affair above quoted, received rewards for their pillage and murder of foreigners.

CHAPTER XV

Brigandage and China's International Relations

98
Repercussions of
brigandage on in-
ternational rela-
tions

§ 98—It goes without saying that the rampancy of brigandage affect gravely China's international relations. The subject may be viewed from three different angles according to the motives, namely:

- (1) When bandits are employed in anti-foreign movements;
- (2) When bandits attack foreigners for the furtherance of their own ambitions;
- (3) When bandits are employed for raising diplomatic questions to serve as pawns in domestic politics.

99
Utilization of
bandits for anti-
foreign ends

§ 99—As an example of the case (1), we may cite the Boxer Disturbances of 1900.

On that occasion, the Governor of Shantung, desirous of removing German influence from the leased territory of Kiaochow, employed bandits to set ablaze an anti-foreign movement, which spread on a vast scale through all the northern provinces of China, drawing into its orbit the Government troops, and ultimately the Manchu Court as well.

The attitude adopted in the present Manchurian Affair by the Government of Chinchow is much the same. Chang Hsueh-liang, who lost Mudken towards the end of September, 1931, and transferred his headquarters to the City of Chinchow, has made as much use as he could of the bandits and dispersed soldiers, making them invade the South Manchuria Railway Zone; and also, carry on, in order to cause confusion behind the front line, sporadic attacks on isolated Japanese posts. Since the recent disappearance of the Chinchow Government, Chang Hsueh-liang has continued the same tactics, sometimes by the offer of the position of brigadier-general to bandit chiefs, and inducing them to attack the Japanese army in the rear.

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There are many additional instances of the employment of brigands by the Chinese authorities towards anti-foreign ends. These authorities, in order to evade the serious direct responsibilities on their own part, avail themselves of the bandits, in the same way as the Nanking Government avoid carrying on the boycott of foreign goods themselves, leaving it to the Kuomintang or student associations.

§ 100—As for the second case, it may appear strange that bandits whose trade is plunder, should entertain any legitimate ambitions. But, as we have noted above, it is not a rare occurrence to find bandits taken over by the Government authorities or bought over at an expensive rate. Seeing their predecessors, or their comrades, become generals or high officials, and being desirous to follow the same road, it often happens that bandits raise diplomatic difficulties, give trouble and annoyance to the local authorities, and avail themselves of this lever to attain their ends. Nothing is easier for them. We may take the Lincheng Affair as an example. The brigands who perpetrated the crime had in the first instance asked local authorities to enlist them in the regular army. On being refused, they attacked an express train on the Tientsin-Pukow line, which they knew to be full of foreigners, took them and detained them in their mountain fastness. As soon as the authorities acceded to their demand, viz. their regular enlistment, they released their hostages.

100
 Attacks on foreigners by bandits for the satisfaction of their own ambitions

§ 101—The most striking example of the third case is the Nanking Affair of 1927. The chief instigators of this riot were the members of the Chinese Communist Party. The Nanking Government, established by the right wing of the Kuomintang, was on the verge of open conflict with the Wu-han Government set up by the left wing of that party and the communists. The Wu-han Government, in the usual fashion of domestic strife, instigated the violent anti-foreign outbreak at Nanking in order to plunge the Nanking Government into serious diplomatic difficulties, and to overthrow it through the pressure of foreign Powers. It is a notorious fact that it was communists who took the lead in the outbreak, and the same fact was mentioned in the notes exchanged between the Powers concerned, viz. Great Britain, France, America, Japan,

101
 Bandit attacks on foreigners utilized in internal strife

etc., on the one side and China on the other.

These examples show how brigandages occasion diplomatic difficulties, and endanger the maintenance not only of order in China, but also of pacific relations between China and other Powers. And yet China, torn as she is by intestine wars waged by generals for the attainment of power, has but little mind to rid herself of brigands. On the contrary she shows herself conciliatory towards them, employs them, flatters them, or enlists them under the banner of regular troops as a reward of their high achievements. She seems really to stamp with semi-official authority the proceedings of these bandit hordes.

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CHAPTER XVI

Disunion and Chaos in China, and Her Destiny

§ 102—There is no need to dilate upon the lamentable effect of chaos and disunion on the destiny of China. If China continues to drift along as in the past, her existence as a State is bound to be threatened, either from within or from without, or indeed from both directions together.

102
Disunion and
chaos in China,
and her destiny

§ 103—In the first place, so far as regards internal dangers, it should be noted that from the earliest times there has existed in China a very characteristic revolutionary doctrine, according to which the people are conceived as possessing the legitimate right of rising against any sovereign whatever and even of deposing him, if he devotes himself to consulting his own personal interests and becomes obnoxious to the welfare of the people at large: in other words, the sovereign receives his power from the people, and owes his throne to them, from which it naturally follows that he may be dethroned by them if they are dissatisfied with him.

103
Internal danger:
the political doc-
trine of the po-
pular revolution

In virtue of this doctrine, in days of old when a sovereign ascended the throne, he carried on for a certain time a provisional government, at the end of which time, if the popular desire was in his favour he was definitely proclaimed sovereign. This principle was later replaced by a political doctrine known by the name of "Revolution of the People" or "Revolution of the Kingly Way," which has been upheld even to the present time, and which teaches that the sovereign should ascend the throne or quit it at the will of the people; and that they are invested with the legitimate political right of dethroning a sovereign who fails to commend himself to them and of selecting in his place a "Virtuous King."

And, as things at present stand, the various influential personages who establish their rule in the different regions, conduct themselves in

such a manner as to often encourage the people to resort to the realization of the "Revolution of the People," its object being to put an end to the intolerable reign of a tyrannical and brutal ruler and to replace him by a better. Examples are plentiful: confining ourselves to the events during the formative period of the Republic, we know of declarations of independence made by the dozens, and in the majority of cases these declarations seem to have been based on the doctrine above explained.

It is true that, among the numerous declarations of independence, there were some which were made by those in possession of power in order simply to maintain their own authority. Such, for example, are the repeated declarations of independence made against the Peking Government by Chang Tso-lin—declarations which were made, not on the said political doctrine of the "Revolution of the People," but only for the maintenance and support of the Chang dictatorship.

On the other hand, there are no less numerous cases in which it was really the people who declared their independence, putting at their head a powerful leader of their own choice, thus carrying out the basic principle of the "Revolution of the People." This was the case with the independence of Li Yuan-huang at Wuchang in 1911, which was desired by the people, and which Li Yuan-huang was forced to declare. It was an explosion of the suppressed discontent on the part of the people against the bad administration of the Manchu Court.

104
Bad administration of the Changs and the formation of new Government in Manchuria and Mongolia

§ 104—Another example of the similar case is the new Government just established in Manchuria and Mongolia. In point of fact, the people of Manchuria and Mongolia, as we have seen in Part II, Chapter VIII, had long been dissatisfied with the bad administration and the unsparing exactions of Chang Tso-lin and his son, which had gone on for twenty years. The germs of a "Revolution of the People" had long only been awaiting the occasion to burst forth, and the fall of the Chang family was viewed as only a question of time. Unfortunately, the people, desirous as they were of effecting a revolution, did not dispose of an adequate force to overthrow the government of Chang Hsueh-liang, who had at his disposal an enormous army of over 250,000 men. The party hostile to Chang made every effort to effect

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a union with the elements of his army which were equally in opposition to him, but they did not succeed in their aim. Accordingly, Chang was able to maintain his position in spite of the hatred he continued to inspire in the people. But scarcely had the Incident of September 18th occurred before the people and the dissatisfied elements were seen giving rein to their innate idea of what was legitimate: the revolutionary germs so long suppressed everywhere burst their husk, driving out the force of Chang, and giving rise to the movements in favour of the establishment of a new Government or of a new State.

China has never been capable of organizing herself as a centralized unified State and the so-called unity was either nominal or secured momentarily under the pressure of force or by compromise. Various provinces had long in reality enjoyed independence in the true sense of the term, as has been already seen in Part II, Chapter I; the declaration of independence made by a province presenting no analogy with the like declaration of a part of the territory of a modern State. In other words, it is essentially only the return, after a condition of apparent and transitory unity, to the normal intrinsic condition of China as it subsists in principle. So is with the independence of Manchuria and Mongolia which should be interpreted as a return to the political condition proper to China.

If the people of Manchuria and Mongolia have organized a new Government or a new State, it is because they have been forced to do so to meet the new condition of things resulting from the Manchurian Affair. As a matter of fact, as soon as conflict broke out in Manchuria, most of the Chinese officials in those parts resigned or fled, and in consequence the local administrative organs ceased to function, giving a free hand to any lawless elements. It was only too certain that if that state of things went on, the thirty or forty million inhabitants would fall into a great misery. Under these circumstances, the people determined to establish a new Government by their own strength.

It does not appear that these Chinese populations are the only ones among all the peoples of the world who do not possess the right of self-determination; and there is no apparent reason why the people of Manchuria and Mongolia should not, upon the flight of the responsible authorities, have the power to establish a government and maintain order and safety in their country by their own resources.

105
External danger

§ 105—The absence of unity in China, and the prevailing disorder, aggravated by other causes coming from the exterior, are likely to endanger the very existence of China as a State.

A glance at her history from the Sino-Japanese War to the present time will show that on more than one occasion China has already incurred this risk. After the Sino-Japanese war, China, as an ambushed method of reprisals against Japan entered into a secret treaty of alliance with Russia called the "Li-Lobanoff Treaty" and determined to counter Japan with the help of the Russian arms. But far from receiving Russian support, she soon found herself obliged to leave Manchuria and Mongolia at the mercy of her dangerous "ally". At the time of the Boxer Disturbances of 1900, Russia occupied all the strategic points in Manchuria, with the intention of annexing it entirely. China, absorbed always in domestic strife, had not the forces necessary to offer any opposition, and had to leave, not Manchuria only, but even the northern districts of China Proper, at the mercy of Czarist activities. Thus, even then there appeared the risk of collapse.

If Russia evacuated Manchuria, willingly or otherwise, it was not due to the strength of China, but in response to the firm and energetic demands of the Powers interested, such as Japan, Great Britain, Germany and others. Even after the evacuation, Russia never gave up her designs on China, and cherishing this ambition, awaited a more favourable opportunity to resume her activity. The peace of the Far East was therefore subject to be sooner or later disturbed. The progress of events proved the accuracy of this proposition, and swiftly led to the Russo-Japanese War of 1904-5. It was Japan, and not China, that turned Russia out of Manchuria. If there had been at that moment no Japan, Manchuria and Mongolia would have been blotted for good out of the map of China: so much is universally admitted.

Japan fought Russia, partly because the advance of Russian influence into South Manchuria, and especially the increasing Russian activities in Korea, constituted a vital menace to her, and partly because she was determined, in pursuance of her traditional policy, to rescue China from external invasion, and thus to maintain at all cost peace in the Far East. Indeed, since Japan and China are in territorial contact and are in very special relations from a political and economic point of view, as well as from that of national security, the orderly or

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disorderly conditions of China have a direct and immediate influence on this country, just as foreign invasion of the former have serious repercussions on the safety of the latter. It was for these reasons that Japan could not let Russia come down towards South Manchuria and Mongolia, nor permit her to extend her invasive penetration as far as China Proper, and eventually determined to enter on the conflict with Russia.

Japan's solicitude for the peace of the Far East are fully revealed in the various treaties and conventions concluded by her with Great Britain, France and Russia, before the Russo-Japanese War, and subsequently thereto.

The incessant internal conflicts and the disorder prevalent in China again produced, after this war, a series of occasions promoting the likelihood of its invasion by foreign forces. Limiting ourselves to Manchuria and Mongolia, we may refer to the First Revolution of 1910, when Russia, penetrating into Outer Mongolia, for all practical purposes separated it from China. She even succeeded in concluding with Mongolia the Russo-Mongol Convention of 1911: and on the vigorous protests of China, Russia concluded with China and Mongolia a tripartite convention, which, in spite of the ostensible recognition by Russia of Chinese sovereignty over Outer Mongolia, put it in fact in a state of dependence on Russia.

A little while afterwards, the revolution having broken out in Russia, China took advantage of it to regain her influence in Outer Mongolia. But as soon as the Soviet Union succeeded in establishing its power at home, it began at once to "sovietize" Outer Mongolia, in order to "give satisfaction to the wishes of the Mongols," and concluded in 1921 a new convention with Mongolia. Besides this, it incited, at a time even in Culumbail (Barga) a movement for "sovietization" and independence.

Again, the Third International made use, from 1925 to 1927 inclusive, of the Chinese Communist Party, and by effecting its alliance with the Kuomintang, came for a moment to exercise a preponderant influence over the South and Central China. Having pushed the Chinese revolutionary communist movement too far, the Third International saw its diplomatic relations with the National Government broken off at the end of 1927: after which its influence in the South and Central China sensibly declined. But it is to be feared that China,

plunged ever in chaos and anarchy, may some day find it difficult to escape from ruin through external forces.

106
Reasons why Chi-
na has hitherto
escaped ruin

§ 106—It is singular, at first sight, to see China continuing her existence as a State, even nominally, in spite of the chaos and disorder. But on a closer inspection, it is not strange. If we consider, to begin with, the history of China, at the period when she had not as yet come in contact with foreign countries, there did not, fortunately for her, exist any rich and powerful nation outside her present boundaries,—and even if there had been, they could not, separated, as they must have been, by impassable mountain ranges and by deep gorges, have attacked China in the then very rudimentary state of the means of communication. Conquest and submission constituted therefore in the history of China—if we except the period of Genghis Khan in the XIIIth century—only the final phase of conflicts between the races which constitute the Chinese Nation, such as the Chinese race properly so called, the Manchu race, the Mongol race, the Turkman race and the Thibetan race. The territory which these races disputed for was China Proper—a country inhabited by the Chinese properly called and blessed with a mild climate, an agreeable temperature, a rich soil and a prosperous population: consequently, the conquering races have always ruled over the Chinese race. But the true Chinese being superior to the other races in culture, in intelligence and in wealth, and being endowed with great powers of assimilation, the conquering races, in the course of their rule in China, have all been assimilated by the conquered race; and there results from this the extremely curious phenomenon that the Chinese race, as a consequence of barbarian invasion, annexed the countries inhabited by each conquering race; thus continually enlarging its own territory. We find in this the key to the singular spectacle that China presents to-day: the spectacle of an assemblage of different peoples having each its manners, its customs, its sentiment and its own special language, all obstacles to the realization of a Chinese national unity.

But from the XVIIth century onwards, Europeans appeared in ever increasing numbers in the Far East, and the entry on the scene of the French and British, in particular, caused the loss, one after

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another, of frontier provinces and tributary countries. Now the Europeans were not like the Mongols, Manchus etc: the Chinese were incapable of assimilating them; the result was that provinces or countries conquered by Europeans were permanently separated from China: in that is to be found the origin of the decadence of Chinese through the pressure of external forces. After the Opium War the policy of the Powers had as its object the exercise of economic activities in China, and as a means to that end, the opening of its gates to all nations. As this policy on the part of the Powers had accordingly a purely economic aim, Chinese were able to experience a period of tranquility in its own territories. The Sino-Japanese War, which threw into relief the weakness of China, wrought a sudden change in the policy of the Powers towards her.

Up to that time their aims had been of an essentially economic character. Now they became political. The result was a fierce competition between the Powers for the acquisition of rights and interests, as well as for concessions and spheres of influence; a competition which was particularly lively between 1895 and 1900. That competition was of a scope such as to make it appear for a moment that the partition of China was inevitable. If China still remains, for better or worse, independent, it is partly because the Powers have come to an understanding to maintain her existence, and partly because of the rise of Japan.

Without stopping to examine why the Powers have acted in concert in this fashion, and why the rapid development of Japan has saved China from partition, we must limit ourselves here to pointing out the fact that it is the support of external force that enabled China, in spite of its disunion and disorder, to remain independent and maintain the territorial integrity of her vast dominions with hundreds of millions of inhabitants, and, in particular, that it is due to Japan that Manchuria and Mongolia have been saved from the forces of the north.

§ 107—The disunion and anarchy in China have unavoidably retarded the economic development of the country. It is above all for this reason that China, endowed with illimitable natural resources and an abundant labour supply, has experienced for decades only a very

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 of China and
 economic recovery
 of the world

slow economic advance.

Manchuria alone, thanks to the peace and order which have reigned there since the Russo-Japanese War, has been in a position to realize a great degree of economic progress such as is never seen in any other part of China. For instance, the population of Manchuria has increased in thirty years from 15,000,000 to over 30,000,000; external trade, which hardly existed at the time of the Russo-Japanese War, now represents one-third of the external trade of the whole of China in spite of its limited area, which is only 9% of that of China; and as to the railways in the region they constitute 43% of those in the entire country.

Indeed, China, with an area of 4,000,000 square miles, a population of over 400,000,000, and inexhaustible natural resources, may figure among the greatest Powers, and offer an enormous market for the commerce and industry of the globe. Its prosperity and its depression can accordingly influence directly and seriously the economic recovery of the whole world.

The finances, the money market and the industries of every country are at present in extreme disorder on account of the unprecedented depression which rages everywhere. If it is a fact that the main cause of this depression is to be attributed to the sudden access of over-production, occasioned by the immense development in the means of production which occurred in every country in the course of the Great War, then the most efficacious means of putting an end to this depression would be the absorption of the over-produced articles. From this point of view, the augmentation of the purchasing power of Chinese through their better economic development would be a most important factor in the economic rehabilitation of the world. But China, torn unfortunately by continued civil strife, and tortured by tyrannous administration and taxation, is totally unable to stimulate the purchasing power of its people. There are many Chinese who are giving up agriculture, the most important source of purchasing power in China: every year, thousands of impoverished people, unable to exist in China Proper, leave their homes to settle in Manchuria.

The misery prevailing in the rural districts of China defies description: the country people for the most part have to be contented with a very wretched livelihood as their cultivated land is incessantly ravaged by civil wars, the youth fit for work are forcibly recruited by

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generals, depriving them of necessary labour, and their houses are pillaged to the extent of leaving them on the straw.

In short, the people are tortured doubly and trebly. In these circumstances, it is beyond dispute that no increase in their purchasing power is to be looked for. It would be superfluous to describe the direful influence which the chaos and disorder of China exercise on foreign trade; what we must lay stress on here in this connection is that the preservation of order in Manchuria for almost thirty years has been solely due to the efforts of Japan.

CHAPTER XVII

Japan and the Maintenance of Peace and Order in Manchuria and Mongolia

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§ 108—As Japan's existence is based on the economic development of Manchuria and Mongolia—a development which would enable her to supplement the deficiencies of her own natural resources—the prevalence of peace and order in Manchuria is indispensable to her. At the time of the Peking negotiations of 1905 on the Sino-Japanese Treaty, Japan laid a special emphasis on this point and the following statement was recorded in the protocols of the conference:—

“The Chinese Plenipotentiaries declare that immediately after the withdrawal of the Japanese and Russian troops from Manchuria, China will proceed to take, in virtue of her sovereign right, full administrative measures to guarantee peace in that region and endeavour, by the same right, to promote good and remove evil as well as steadily to restore order, so that the residents of that region, natives and foreigners, may equally enjoy the security of life and occupations under the perfect protection of the Chinese Government.”

The above declaration should properly have formed part of the treaty, but in view of the difficulties of current domestic politics, which made it impossible for the Chinese plenipotentiaries to make it public, it was entered in the protocols. Accordingly it is to be considered as part of the treaty. Since that date the Japanese Government have always exhibited solicitude for the maintenance of order in Manchuria, rendering advice and assistance to the Chinese authorities as far as they possibly could. Occasionally, when the latter showed themselves incapable of preserving order by the means at their own disposal, Japan has on her own initiative taken active steps. In 1924, when a body of Manchurian troops stationed at Shanhaikwan

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rose in insurrection against Chang Tso-lin, the Commander-in-Chief of the Kwantung Army, in order to prevent hostilities from breaking out in Manchuria, published two declarations notifying the two opposing armies that no hostilities must take place along the line of the South Manchuria Railway. At the time of the retreat of the army of Chang Tso-lin to Manchuria after its defeat by the army of Chiang Kai-shek in May, 1928, the Japanese Government, in order to prevent the theatre of war from extending to Manchuria, despatched the following Note to the representatives of the two belligerent parties, viz. to the Foreign Minister of the Nanking Government and to Chang Tso-lin:—

“The Japanese Government attach the utmost importance to the maintenance of peace and order in Manchuria, and are prepared to do all they can in order to prevent the occurrence of any such state of affairs as may disturb that peace and order, or constitute a probable cause of such disturbance. In these circumstances, should the disturbances develop further in the direction of Peking and Tientsin and the situation become so menacing as to threaten the peace and order of Manchuria, the Japanese Government, on their part, may possibly be constrained to take appropriate and effective steps for the maintenance of peace and order in Manchuria.”

Fortunately, what had been the subject of apprehension never took place, and Japan had no need to take the measures adumbrated in the note. This policy of peace has been uniformly observed by Japan; the more so inasmuch as, to preserve the safety of Manchuria, she spent at the time of the Russo-Japanese War several milliards of Yen.

This policy is more than necessary for Japan as a means of protecting the lives and property of the Japanese and Korean residents to the number of a million, her capital invested in Manchuria which amounts to nearly two milliards of Yen, and her trade with Manchuria and Mongolia which reaches a figure of about 350,000,000 yen—say 90% of the imports and 50% of the exports of those regions. Nor must we forget that it is the Chinese who derive most profit from this policy of peace. The measures taken by Japan in the Manchurian Incident of September, 1931, have in no respect gone beyond the scope of this traditional policy, as is clearly shown by certain declarations

made by Japan, *inter alias*, by those made at the close of 1931 by the representative of Japan on the Council of the League of Nations. In particular, the reservation which Mr. Yoshizawa, as the then representative of Japan on the Council, attached to the resolution of the Council adopted on December 10, 1931, is simply directed to affirming this policy:—

“With regard to paragraph 2 of the draft resolution, I am happy to accept it on behalf of the Japanese Government, on the understanding that this paragraph is not intended to preclude the Japanese forces from taking such action as may be rendered necessary to provide directly for the protection of the lives and property of Japanese subjects against the activities of bandits and lawless elements rampant in various parts of Manchuria. Such action is admittedly an exceptional measure called for by the special situation prevailing in Manchuria, and its necessity will naturally be obviated when normal conditions shall have been restored in that region. . . .”

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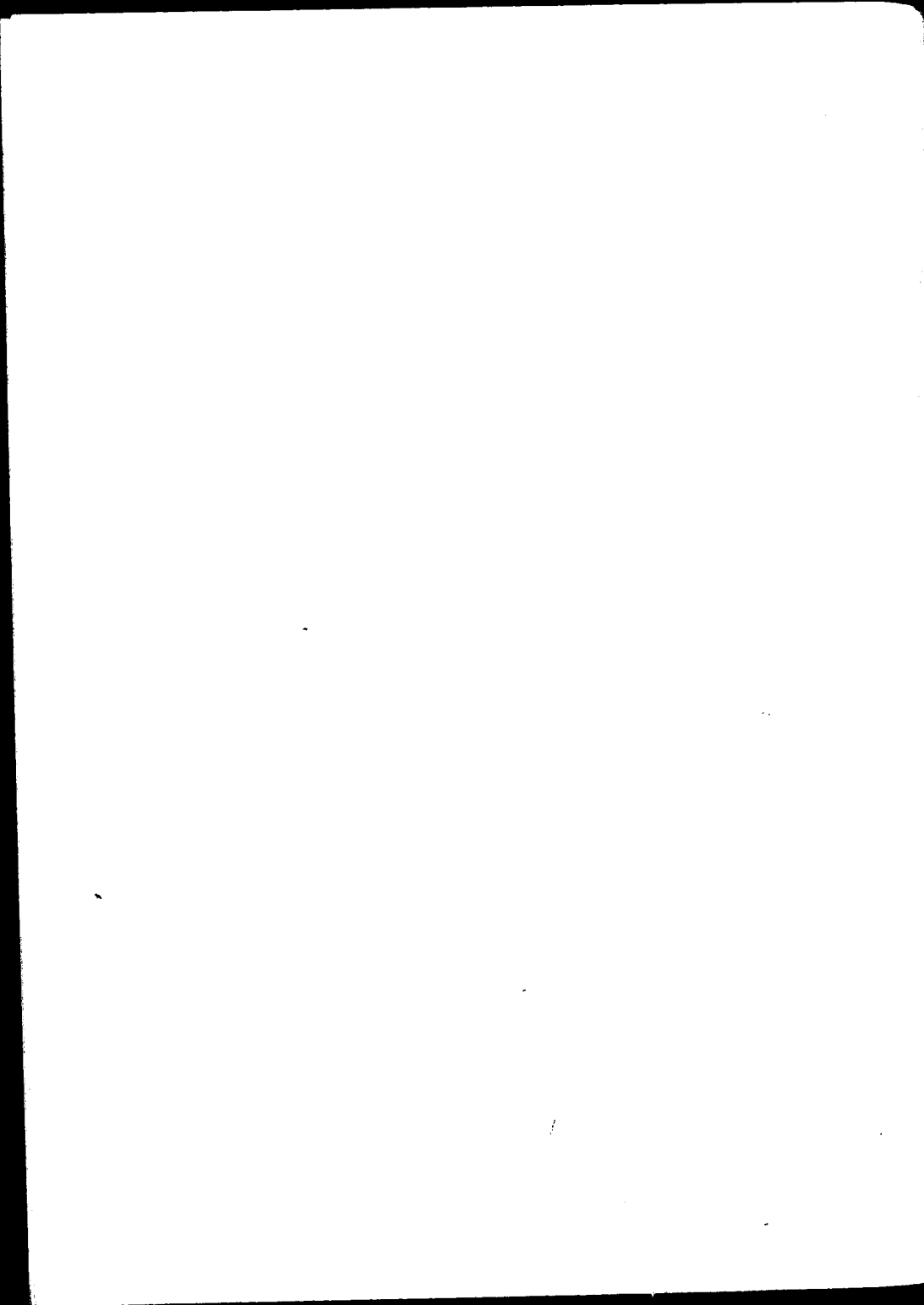
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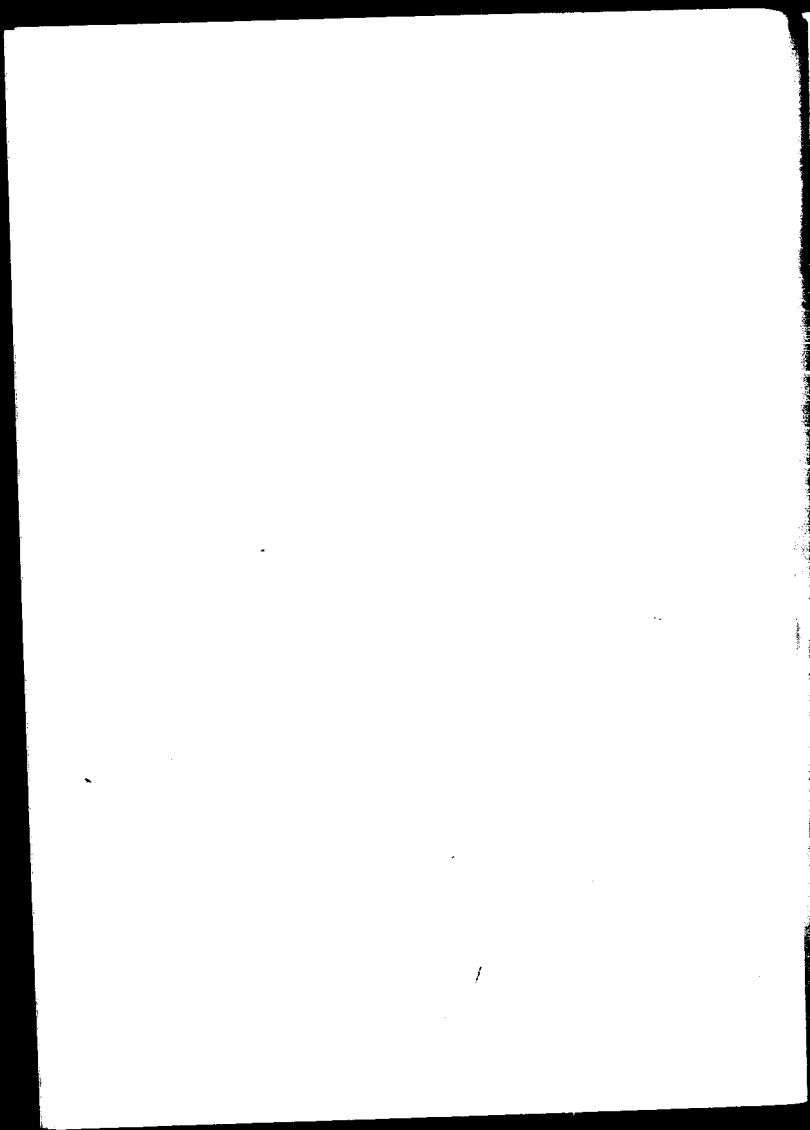
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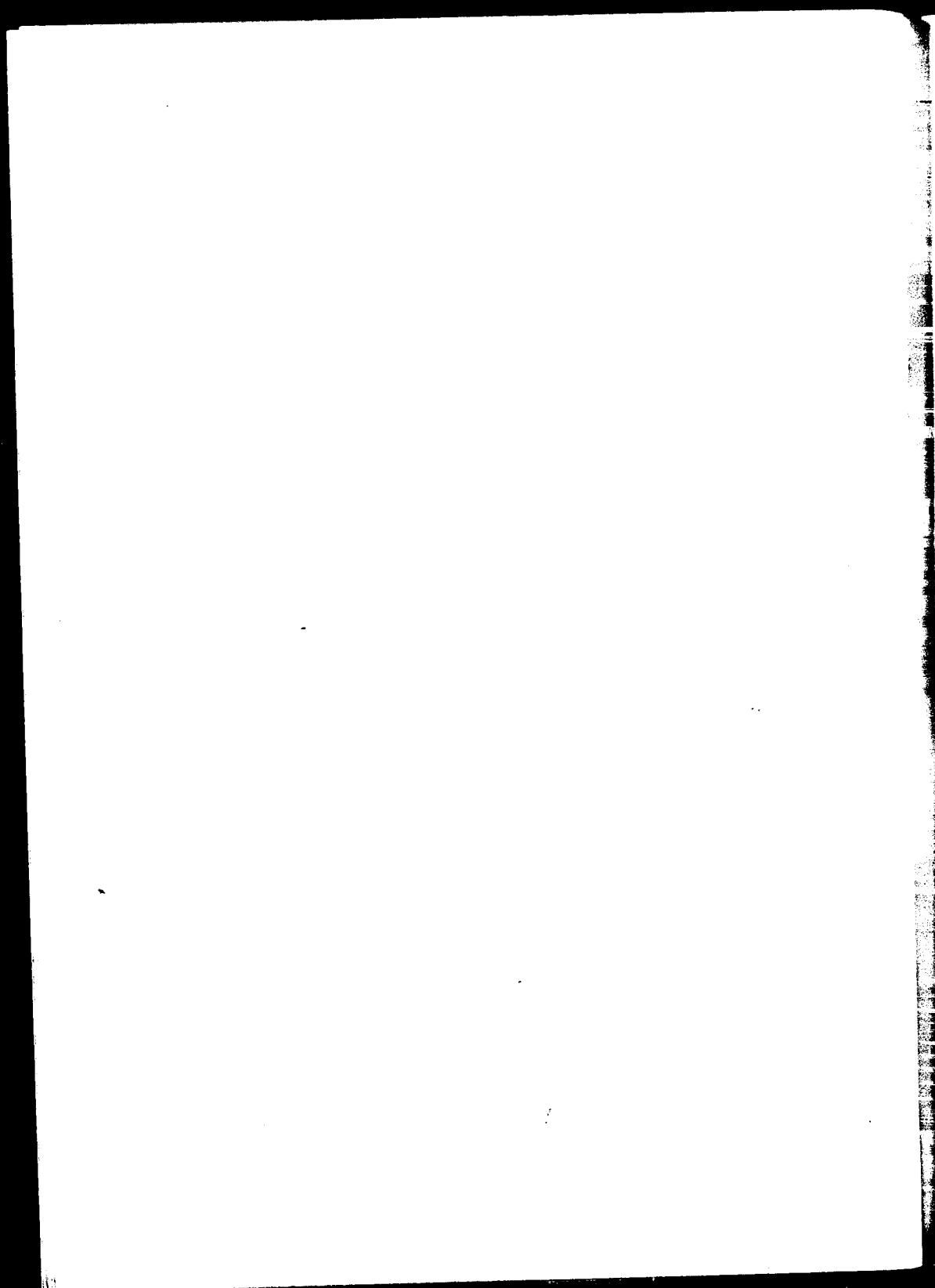
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PART I

- I. Introductory Remarks
- II. The Local Characteristics of Chinese Pirates
- III. Outstanding Cases of Damage by Chinese Pirates during the Three Years: 1929-31



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PART I

I. Introductory Remarks

It is a fact that to-day in Chinese waters there are constant ravages by pirates as bandit activity is rampant on land. History proves that the plundering of pirates has prevailed for thousands of years and bids fair to continue on its ruthless way.

The Fukien Navy, which is the dominant power of the National Government's Navy, had a piratical origin. The weakness of the Chinese Navy, coupled with the fact that the Government is unable to maintain peace in all water-side regions adds to the prevalence of pirates.

Not only Chinese vessels are subject to the attacks of these pirates, but also steamers, sailing and fishing boats of all other nationalities. Passengers and crews are murdered, or taken prisoner and held for ransom. Plundering, destroying of ships by fire and carrying-off of ships and cargoes together are among the atrocities they commit.

Every year the Japanese Government is informed of more than a dozen outstanding cases. As to the minor cases of which no report is made officially to the Japanese Government, the number must be very large.

Chinese pirates may be classified as follows:

(a) Systematic and professional; (b) Farmers or fishing folk, taking up piracy from time to time; (c) Bandits who also practise piracy.

Heterogeneous as they are, they are alike in one respect,—they always work in a body, ranging from scores to thousands. Those of

(a) and (b) generally live on the coast and go about in boats, but are connected behind the scenes, as a rule, with bandits on land.

Although these pirates usually are quite unscrupulous in the means they adopt to attain their end, the following seem to be their habitual tactics in carrying out their ferocious design :

a. In assaulting a passenger boat or a passenger-cargo boat, several or a few dozen pirates would embark on the vessel as steerage or deck passengers, managing to conceal their weapons somewhere by bribing lower grade members of the crew. As soon as the ship reached the indicated point according to their pre-arranged plan, they would rise in a body, force the officers to steer the ship to their base of operations, and plunder at will on their way.

b. Spies are set at each important port to watch ships coming in or going out. Spies are also put on all the ships. These spies would signal from a fixed point at sea to their accomplices on land, who in their turn would at once embark on board a vessel (usually a sailing boat). The attack is made by means of signals from the spies telling the pirates that preparations are complete on board the ship. Every movement is made according to the spies' directions.

c. The pirates on board a sailing vessel would keep waiting for a steamer on her usual route. When the steamer approaches their boat, they would purposely break the mast to pretend distress, and thus ask for help. When the steamer comes to the rescue, the pirates would cast off the mask and show themselves in their true light, making a quick assault, arms in hand.

d. In assaulting a small vessel, i.e. a motor boat or sailing vessel, they would stop the craft on her way, and plunder her after having disabled the boat by causing the screw-propeller to be fouled with rigging.

e. When a boat, large or small, is stranded, it affords a very good opportunity for plundering. On such an occasion, the farmers and fishermen in the neighbourhood would at once turn into pirates.

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f. They would not only rob a vessel of money and other valuables, but would also take officers or cabin passengers as hostages, for whom they would demand an enormous ransom. If this is not paid, they would murder the victims.

Although Chinese pirates haunt every locality along the coast and on the inland waters their principal bases of operations are, in South China, in the Province of Kwangtung, (1) Bias Bay, east of Hongkong, (2) near Hoihow, Hainan-tao, and (3) Nanao-tao, off Swatow; in the Province of Fukien, (4) Haitan-tao and Nanjih-tao, south of Foochow; in the Province of Shantung, (5) the mouths of the Yellow River and the Hsiao-ching-ho and their neighbourhood; in the Province of Kiangsu, (6) Haichow and its vicinity. Of all these, the pirates at Bias Bay are the most rampant and are, compared with the others, best equipped with systematic training and weapons, so that navigators consider them the most formidable of all.

II. The Local Characteristics of Chinese Pirates

1. *Pirates of Bias Bay*

The Province of Kwangtung is a region where pirates are most rampant. Particularly is this the case with those infesting Bias Bay, east of Hongkong. They are a huge body numbering more than 50,000, equipped with guns and machine guns,—a gigantic system of organization, a veritable menace to all ships of all nationalities.

They have headquarters at Shanghai and Honkong, with special intelligence agencies in Foochow, Amoy, Swatow and Canton to inform the headquarters of the movements of boats and steamers, their routes, cargoes and passengers from time to time.

Hitherto records show that ships which have been brought to Bias Bay by these pirates were those laden with cargoes of considerable value as silver cash, silk goods, etc., in most cases.

To accomplish their purpose, they resort to the most up-to-date method. Aboard such large ships as belonging to the Osaka Shosen Kaisha, Douglas Steamship Co. or China Merchants' Steam Navigation Co., they keep 10 to a few dozen accomplices disguised as passengers. When the ship comes to a point suited to their purpose, they would rise all at once with arms in their hands, knock down the ship's guards, secure control of the navigator's parts of the ship, destroy the wireless apparatus, and operate the ship with their own hands, or else force the officers to do so, leading the ship to the base of operations, that they may obtain connection with their mates on land for co-operation to plunder and carry hostages.

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2. *Pirates of Hainan-tao*

Hainan-tao, south of Kwangchow, offers also bases for pirates,— particularly the localities near Hoihow, a port in the island. Almost all the farmers and fishermen on the coasts there are pirates as well, who are little ashamed of their subsidiary occupation. Numerous though they are, their activity is on a smaller scale than that of the Bias Bay pirates. They seldom attack large steamers, nor would they dare to venture into the deep seas for prey. They usually aim at small ships aground or wrecked, fishing boats and junks, with the object of robbing them of money, personal belongings, rigging and arms.

3. *Pirates of Nanao-tao*

Nanao-tao, an island east of Swatow, is reputed to be one of the oldest bases for Chinese pirates for the reason that South China junks in going to Formosa must pass by this island because of the conditions of tide and wind. The practice of piracy is thus encouraged and facilitated, so to speak, by the geographical situation.

In some cases the pirates of this region, often connected with the local government authorities, get the latter's official permission for their ravages. The District Magistrate of Nanao-tao, for instance, who was under the authority of Chen Chiun-ming, was in actual command of the local pirates for about three years in and after 1923, just for selfish reasons; however, this soon found disfavour with the general public. His practice was that every junk plying on the waters about Swatow must pay a toll according to the value of the cargo, that it might escape plunder by local pirates. If this toll was refused, the junk was sure to be attacked.

As the pirates in this region are mostly aboard a junk, a motor boat with good speed can escape the misfortune otherwise unavoidable.

4. *Pirates of Hailan-lao*

South of Foochow, in the Province of Fukien, there is a region peculiarly fit for piratical operations, including the islands of Haitan and Nanjih, and the Peninsula of Kaoshanshih, where most of the inhabitants are engaged in agriculture and fishery at the same time. Whenever they find a ship met with disaster, the whole village would often turn into a body of pirates. But they rarely attack a ship in the course of navigation. They are not provided with any system like that of the Bias Bay pirates. The arms they possess are old fashioned, like muzzle-loading rifles. If an intended victim is properly equipped, it will be easy to repulse such pirates. They are, however, very numerous. In the island of Nanjih, for instance, more than 120 villages are entirely made up of various bodies of pirates. All Chinese junks plying in those waters are equipped with arms, but as those owned by Formosans are not permitted by the Japanese authorities to carry arms, so that they are consequently more exposed to attack from the pirates than Chinese junks.

5. *Pirates of the Yellow River*

In the neighbourhood of the mouth of the Yellow River and also of the Hsiao-ching-ho, there is a peculiar body of pirates living both on water and land, thus working as bandits as well as pirates in a very active manner. Most of the cargoes of ships of all sizes plying in those waters are victims to their plunder and the passengers are often molested.

In this region there are natives engaged in farm work and fishing, all of bad character, so that they are accustomed to attack ships of all types, if they are stranded in the vicinity. Shantung is a province famous for gregarious bandits. Those who dwell near the littoral turn pirates whenever they cannot obtain food in winter.

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From observation of the general condition of piratical ravages on the littoral of the Province of Shantung, we find that their action usually takes place close to the coast, say only 10 to 20 miles from land and scarcely 100 miles from their base of operations. Most of the arms with which they are equipped are of very imperfect types, such as Mauser guns, etc. Some of them are, indeed, so poorly equipped as to own only guns of primitive type and "big swords."

Their tactics are also very primitive. In a very small body of perhaps 4 or 5, often ranging however to 20 or 30, they would embark on a junk, which they pretend to be an ordinary junk, and on approaching the intended victim, they would fire upon and stop her. Then they would board the ship, seize all valuable objects and decamp as quickly as they could. They have often conspired with bandits on land to carry away hostages.

6. *Pirates of Haichow and the Neighbourhood*

Haichow and its neighbourhood, in the Province of Kiangsu, constitute a dangerous region, a menace to both Chinese and foreigners who pass by there in making a voyage along the coast. This region, located at the mouth of the Huai Shui is full of canals, lakes, marshes, formed by the old delta of the Yellow River, so that it offers a suitable ground for piratical practice, thus all the peasants and fishing folk there are equipped with rifles and pistols in order to act as bandits and pirates as well, whenever they like. The sailors who live on board the local junks are also semi-professional pirates.

Like the pirates of Shantung, those of Haichow and the neighbourhood are not provided with any regular system, nor with powerful arms, so that they are unable to ravage any distant seas. Most of their victims are small craft, including junks. They are content with money and any thing else they can find, rarely carrying away any hostages. But many small boats which ply on this part of the sea are attacked by these pirates constantly. This is especially the case with small boats stranded.

III. Outstanding Cases of Damage by Chinese Pirates during the Three Years: 1929-31

1. *Japanese S.S. Delhi Maru*

The *Delhi Maru*, an Osaka Shosen Kaisha liner, sailed from Swatow at 3 p.m. on September 20, 1929, for Hongkong, carrying a cargo of 500 tons, 4 cabin passengers, and 139 deck and steerage passengers. At 3.30 a.m. the following day, when the steamer was about to pass through Hunghai Bay, a dozen pirates headed by a woman emerged from among the deck passengers, shot and wounded 3 of the Indian guards on duty at the railing of the port passage. Then they got control of all the navigators' parts of the ship, held the officers at bay with guns, seized the wireless apparatus to disable it, and plundered, robbed the crew and passengers of their money, jewelry, and some 16 trunks, valued at about \$6,000, besides 13 rifles, 7 pistols and gun-powder out of the ship's equipment, and forced the ship to steam as far as Sanchowao. There they embarked in two boats, carrying on board with them the whole booty, in addition to one Formosan and three Chinese as hostages, to join their accomplices on land, (numbering about one hundred,) and left for the far interior.

When the two boats returned to the ship, at 7.30 a.m., the disaster was reported by wireless, asking for rescue. The British destroyer, *Sandwich*, on patrol in Bias Bay, happened to catch the wireless message. She hurried to the spot at once and reached it at 10.30 a.m., but it was too late, for the pirates had already gone.

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The Japanese Government protested on September 28, against such ravages to the National Government as well as to the local authorities at Swatow and Canton, asking for the recovery of the Japanese taken as hostage, and the money and valuables, from the pirates, and also urged that in future proper precautions should be taken against such outrages. The naval authorities of the Canton Government evidently tried to recover the booty, but could not accomplish anything.

The Formosan, who was taken as hostage, was moved from place to place in the interior, until, on March 14, 1930, when a conflict between pirates and Communist-bandits, (which had ended in the defeat of the former), gave a fine opportunity for him to escape. But he was again caught by the Communists, who, however, released him on March 22. He arrived safely at Hongkong via Swatow. The three Chinese who had been taken hostages with him were also released in a similar manner.

2. *British S.S. Haiching*

The *Haiching* is a steamer owned by the Douglas S. S. Co., a British concern. On her way from Swatow to Hongkong, with over 300 passengers and a small cargo, on December 8, 1929, at 1 a.m., a score of pirates who had mingled with the passengers, emerged in a body off Chelangchiao near Bias Bay. Vigorous resistance was offered by the crew, with the result that 1 English third-mate, 1 Indian guard and 9 Chinese passengers (including some of suspicious character) were killed; the chief officer, 1 Indian guard, 6 sailors, and 9 Chinese passengers and some others who were suspected as pirates, were wounded, (of whom one died).

In this struggle, the pirates evidently found the ship's crew too strong for the accomplishment of their purpose. They set fire to the upper deck and finally, taking advantage of the confusion, they made off.

During the fire, the captain perceived the danger and ordered the life-boats to be lowered to save the passengers. One of the boats was upset by accident. Some of the passengers threw themselves into the water, and many were drowned.

As the wireless office of the ship was not attacked by the pirates, a report was sent out, with the result that two British destroyers came to the rescue at once; about ten suspected men were arrested; the passengers were removed to the two destroyers; the fire was brought under control; other necessary measures were taken, and the ship was brought safely to Hongkong at 6.30 p.m. on the same day.

Owing to the crew's strong resistance, the ship's loss consisted only of a burned bridge (of fore-deck) and cargo of considerable value, but no damage from plundering.

3. *British S.S. Helikon*

The *Helikon* (2,232 tons) is a steamer of British nationality, owned by a Hongkong Chinese corporation (Wo Fat Shing & Co. by name). Sailing for Saigon from Hongkong on July 20, 1930 at 9 a.m. she was attacked the following day at 2.15 a.m. by a band of pirates numbering about 16. At this time she was navigating about 140 miles south of Hongkong. The pirates had concealed themselves somewhere on the steamer. As usual, they attacked the Chinese officers, the wireless office and the captain's quarters. The captain himself was compelled to navigate the ship to Bias Bay. The sailors were ordered by the pirates to re-paint the funnels and obliterate the ship's name. They then searched the whole vessel, chiefly for gold and silver bullion, which had been their special object. But they could not find enough booty of this description. They therefore landed at Bias Bay the money, jewelry, etc., robbed from the passengers, amounting to several thousand dollars, besides silk and tea valued at about \$12,000. At the same

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time, they carried away the comprador of the ship and about ten Chinese as hostages. They did not inflict any harm on the crew and passengers, however.

The steamer was released by the pirates at 4 a.m. on the 22nd, and sailed back to Kowloon. The ship was not equipped with any railing or guards, and the crew was made up of Chinese with the exception of the captain and officers who were Europeans.

4. Chinese S.S. Hsinming

The *Hsinming* (2,133 tons), of the China Merchants' Steam Navigation Co. which had sailed from Shanghai on January 5, 1931, for Swatow, was attacked while at sea off Foochow at midnight by a band of pirates, numbering about a dozen. These pirates had smuggled themselves on board pretending to be passengers, but now rose in their true character, destroyed the wireless apparatus and took charge of the ship by armed force. On the 12th of January after having compelled the ship to steam to Hunghai Bay, west of Bias Bay, they plundered her cargo, valuables and passenger's personal effects, and took a Chinese comprador and 4 passengers as prisoners. At dawn on the 13th, they released the steamer.

Upon her release, the ship wirelessly for help. When the 4th squadron of the Chinese Navy received the message it despatched the coast police attached to Tapeng Bay to attack the pirates.

The attacking corps went as far as the port of Tachow, Tienma-shan and Chiaotien, where 3 pirate boats were discovered. At the end of half an hour's fighting, the pirates were forced to land, but they succeeded in escaping far into the interior. The corps seized 5 pirates and rescued 5 hostages.

5. *British S.S. Hanyang*

The *Hanyang*, belonging to Messrs. Butterfield and Swire, a British concern, sailed from Shanghai for Amoy on November 18, 1931. Among her deck passengers, there were 13 pirates, who attacked the crew while they were at dinner, forced the ship to be brought to Nanao-tao (island), plundered her cargo valued at more than \$100,000 and got away. After the pirates' landing, the ship's crew wirelessly to the Hongkong Government. On the 21st, at 5 p.m., the British warship *Starling* arrived on the spot. The warship carried a body of Chinese soldiers belonging to the Independent 2nd Division, as well as a portion of the coast police to assist the expedition. Search was made all over the island of Nanao, but the inhabitants had decamped except for women and children. Only one boat laden with booty was seized (the booty consisted of 60 odd cases of cotton tissues, 30 piculs of miscellaneous goods, 56 packages of cement, etc.) In addition to this seizure, 41 accomplices and suspected men were arrested.

The pirates of Nanao-tao are led by Wu Pin-san, and for many years they have kept to this region as their base of operations. They usually aim at motor boats, junks and other small craft for plunder. The steamer was the first victim of their action tried on a large scale and with the success described above. Judging by their skill in steering a large ship of this type as well as their knowledge in navigation, displayed on this occasion, it is presumed that they received some assistance from the pirates of Bias Bay.

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PART II

Table Showing Outrages Committed by Chinese
Pirates on Ships of Various Nationalities
in Chinese Waters during the
Three Years: 1929-31

Date	Locale	Name of Ship	Nationality
1929			
April 11	Shanghai Harbour	Rozan Maru	Japanese (Nisshin Kisen Kaisha)
Towards the end of April	The mouth of the Yellow River	Peking Maru (Small steamer)	Chinese
July 26	Ten miles up from Yueh-chow on the Yangtze	Saiun Maru (Tug-boat)	Japanese
August 18	Off Hsinhua Bay, Fukien Province	Shengli (924 tons)	Chinese (Chengchi Co., Dairen)
August 22	Off Chenchia, south of Haichow	Taki Maru	Japanese (Owned by a Japanese in Hiroshima Prefecture)

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Description of Outrage

Measures Taken for Rescue, etc.

On the day previous to sailing for Canton, it was discovered that pirates had stolen into the ship, and they were arrested so as to forestall any outrage from them during the voyage.

The police attached to the Japanese Consulate-General in Shanghai put under arrest nine pirate-suspects with the co-operation of the Municipality police and, further, made approximately 200 Chinese passengers disembark. On the 11th, the ship sailed for Canton.

While sailing from Tientsin to Lungkou, the ship was attacked by pirates who carried off a Norwegian lady missionary resident in Huanghsien, Shantung, to Litsin high up the River.

The Norwegian Minister to China and the Norwegian Honorary Consul at Chefoo requested the American naval authorities to search for the missionary.

While the boat was towing a passenger-ship to Changsha, she was fired on with revolvers and looted by soldiers, who had been disbanded in Kueichow and had turned bandits. In this incident, five Chinese passengers were killed and three others wounded.

Due to attack from pirates, the ship ran aground and sank, and the captain and five officers (Japanese) landed at Hsinhua, after having been stripped of all the money and valuables in their possession.

Seventeen Chinese seamen, adrift on the sea, were rescued by a patrol ship of the customs house.

While the ship was aground, vessels of Chinese style hovered round her and frequently fired on her, but there was no loss in life and cargo.

On the 27th, the ship was refloated and reached Tsingtao the following day.

Date	Locale	Name of Ship	Nationality
September 12	Off Haichow, Kiangsu Province	Botnia	Norwegian
September 21	Off Hunghai Bay, Kwangtung Province	Delhi Maru	Japanese (Osaka Shosen Kaisha)
December 8	Chelangchiao near Bias Bay, Kwangtung Province.	Haiching	British (Douglas Steamship Co.)

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Description of Outrage

While aground, the ship was attacked by pirates, and the captain and the chief mate were carried off for a ransom of \$ 500,000.

At midnight, some 13 pirates rose from among the deck passengers and, after shooting and inflicting wounds upon three Indian guards robbed passengers and the ship's officers of money, jewels, etc., and also looted some 16 trunks, the contents of which were valued at \$ 6,000, besides guns, ammunition, etc. Then, they forced her to sail to Sanchowao, where they landed, taking four passengers as hostages, and, made good their escape with some 100 pirates who had been waiting for their return.

Twenty pirates who had been on board among passengers rose and attacked the ship and escaped, after killing one English mate, one Indian guard and nine Chinese passengers and wounding one English mate, one Indian guard, six seamen and nine Chinese passengers, and setting fire to the deck. Owing to the capsizing of life-boats and other mishaps, many passengers were drowned. A fairly large loss was sustained through the destruction of the ship's bridge by fire and the burning of her cargo.

Measures Taken for Rescue, etc.

The Norwegian Minister to China filed a strong protest with the Foreign Minister of the National Government, demanding the rescue of the abducted men. Later, the captain took the pirates off their guard and made his escape. Subsequently, the ship was refloated and reached Shanghai.

Although the British warship Sandwich that was on patrol in Bias Bay at that time hurried to the scene upon receipt of news by wireless, she was too late to catch the pirates. The Japanese authorities entered a demand for the arrest of the pirates and the recovery of hostages with the National Government as well as with the local authorities of Kwangtung Province.

In March of the following year, the persons who had been taken as hostages escaped while the pirates were fighting with Communist-bandits and returned to Hongkong.

Upon receipt of a wireless signal of distress, two British destroyers hurried to the scene and, after taking passengers on board and making emergency repairs, escorted the ship to Hongkong.

Some 10 suspicious persons among the passengers were taken to the police station at Hongkong.

Date	Locale	Name of Ship	Nationality
December 14	Off Woosung (near Chungming-tao island)	Dai-hachi Masutomi Maru (35 tons)	Japanese (Fishing-boat)

December 23	Outside the Whampoo Harbour, Canton.	Ryujin Maru	Japanese (Murao Kisen Kaisha)
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1930

May 1	Off Haichow	Eiho Maru	Japanese (Fishing-boat)
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May 1	North of Haichow	Dai-shijuroku Banshu Maru	Japanese (Fishing-boat)
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Description of Outrage

While lying at anchor near Chungming-tao Island on account of dense fog on her way back from off Woosung where she had been engaged in fishing, the ship was attacked by pirates. In this incident, a Chinese sailor was wounded. The ship made good her escape only to run aground shortly after, but at noon the next day, she was rescued by the *Wakamatsu Maru* of the Kinkai Yusen Kaisha.

The whereabouts of the *Dai-shichi Masutomi Maru* that had gone out fishing with the *Dai-hachi Masutomi Maru* were unknown for a short while, but she safely returned to Shanghai in due time.

Measures Taken for Rescue, etc.

The ship ran aground and, while she was being refloated, some 20 pirates came alongside in two boats and looted articles valued at about ¥3,500 by intimidating the crew.

With the help of the Japanese gunboat *Ujina*, the ship was refloated and entered the Whampoo Harbour. The Japanese Consul-General in Canton filed a demand with the Diplomatic Commissioner at the city for the arrest of the offenders and for the recovery of the looted articles.

While out fishing, the ship was attacked by three pirate-ships manned by about 30 pirates, who looted clothes, fishing implements as well as the catch, etc. valued at about ¥1,000.

While out fishing, the ship was attacked by a pirate-junk and robbed of fishing implements and a part of the rigging.

Date	Locale	Name of Ship	Nationality
June 4	Wuchieu south-west of Swatow	Kito Maru (248 tons)	Japanese (Motor - ship owned by San Bunto domiciled in Formosa)
June 28	On the Yangtze near Hankow	A sailing-ship (Name unknown)	Chinese (Chartered by the Jihhua Oil Mfg. Co.)
July 13	On the Takou River, Shantung Province	Banryu Maru (150 tons)	Japanese (Chartered by Taku Rengo Co.)

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Description of Outrage

Pirates disguised as pilots attacked the ship and, levelling revolvers at her officers, forced them to steer her to Pinghai near the mouth of Bias Bay. On her way to the Bay, off Chelangchiao, they met a British ship, and the pirates hastily escaped with the captain as hostage, after robbing the crew of their money and belongings.

While carrying 60 piculs of cotton-seed oil, valued at about \$ 1,100 (Mex.) from the Japanese Concession in Hankow to the opposite shore, the ship was attacked by pirates who captured her as well as the cargo.

While carrying passengers and cargo up the river, the ship was fired on from the bank by bandits, and one of the passengers killed. Then, ten of the bandits boarded the ship and, after looting money and valuables and removing the passengers to junks, they forced the captain to cruise in the direction of the Hsiaoachingho River, attacking and looting numerous junks during the succeeding six days. At last, seeing the smoke of an approaching steamer, the bandits landed near the mouth of the Hsiaoachingho River and escaped.

The loss sustained from the damage to the ship's hull and from the looting of money and valuables amounted to approximately \$ 1,000.

Measures Taken for Rescue, etc.

While being taken to the interior, the captain escaped and swam to the lighthouse on Chilang Point, a solitary island. The chief superintendent of the lighthouse immediately telegraphed his whereabouts to the Japanese Consul at Swatow and the captain was rescued by the *Hiho Maru* sent from the port.

Five policemen attached to the Japanese Consulate-General at Hankow pursued the pirates in a launch and captured three of them, after recovering the ship and the cargo.

The Japanese Consul-General at Tsinan urged the authorities of the Shantung government to bring the malefactors to justice and also to exercise strict control of banditry. At the same time, the Japanese squadron in those waters despatched the destroyer *Tsubaki* to the Hsiaoachingho River and its vicinity to search for the *Banryu Maru*, which was sighted on the morning of the 20th and supplied with coal. The ship went up the Takou river and handed over the belongings of those passengers who had been removed to junks as well as nine Chinese woman passengers to the Chinese authorities.

Date	Locale	Name of Ship	Nationality
July 21	On the sea approximately 140 miles south of Hongkong	Helikon (2,232 tons)	(Wo Fat Shing & Co., Hongkong)
August 11	On the sea south of Swatow	Dai-san Kaisei Maru	Japanese (Motor-fishing-ship)
August 18	Chingchow, a solitary island 45 miles north of Swatow	Kito Maru (248 tons)	Japanese (Motor - ship owned by a Formosan)
November 12	Bias Bay	Highland	Norwegian
1931			
January 10	Off Foochow	Hsinming (2,133 tons)	Chinese (China Merchants Steam Navigation Co.)

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Description of Outrage

On her way from Hongkong to Saigon, 16 pirates who had been among the passengers rose and, after attacking officers' quarters and the wireless office, forced the captain to set a course for Bias Bay, where they landed with a comprador and ten other Chinese as hostages, after robbing the passengers of money and jewels amounting to several thousand dollars and looting from the cargo silk and tea valued at about \$ 12,000.

While taking shelter from a gale near the light-house of Haowangchiao, the ship was attacked after dusk by a pirate sampan manned by 12 men. The pirates wrenched off the ship's fittings and rigging and carried them off together with money and valuables from the crew.

While the crew were engaged in the landing of the cargo, some 20 pirates attacked the ship and, after seizing control, cruised the sea in the vicinity of Nanao-tao and Nanpeng Islands, looking for ships to attack and loot, but in vain.

On her way from Swatow to Panshih, with 200 passengers on board, the ship was attacked by pirates who had embarked on her disguised as passengers and forced to proceed to Bias Bay.

Pirates looted the ship's cargo and valuables and the belongings of passengers and left taking with them a comprador and four passengers as hostages.

Measures Taken for Rescue, etc.

The steamer was released by the pirates at 4 a.m. on the 22nd, and sailed back to Kowloon.

The crew who feared the return of the pirates swam to the lighthouse, the chief keeper of which accorded them much help. After daybreak, they returned to the ship and took her to the port of Swatow.

The exhaustion of provisions and fuel forced the pirates to return to Chinchow on the 21st. The ship was set free soon after.

On the 13th, the ship was set at liberty and entered the port of Hongkong.

A punitive expedition was despatched and, after a fight, captured five pirates, at the same time rescuing the five hostages.

Date	Locale	Name of Ship	Nationality
April 16	Near the lighthouse of Huanghuafengchiao, Hui-lai-hsien, Kwangtung Province	Soochow (38 tons)	Chinese
July 4	A point approximately 3 miles down from Whampoo, Canton	Kinoene Maru	Japanese (Osaka Shosen Kaisha)
July 14	Vicinity of Mayu at the entrance to the port of Swatow	Kito Maru (248 tons)	Japanese (Motor - ship owned by a Formosan)
November 18	Between Shanghai and Amoy	Hanyang	British (Butterfield and Swire Co.)

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Description of Outrage

Pirates looted the ship's cargo, valued at \$ 4,000, money in the possession of the passengers and their belongings, and carried off nine persons for ransom.

Though fired on by pirates, the ship sustained no damage.

Pirates seized control of the ship and, after removing all her cargo into sampans in the vicinity of Tolin, Jaoping-hsien made their escape. The loss sustained is estimated at approximately \$ 6,300.

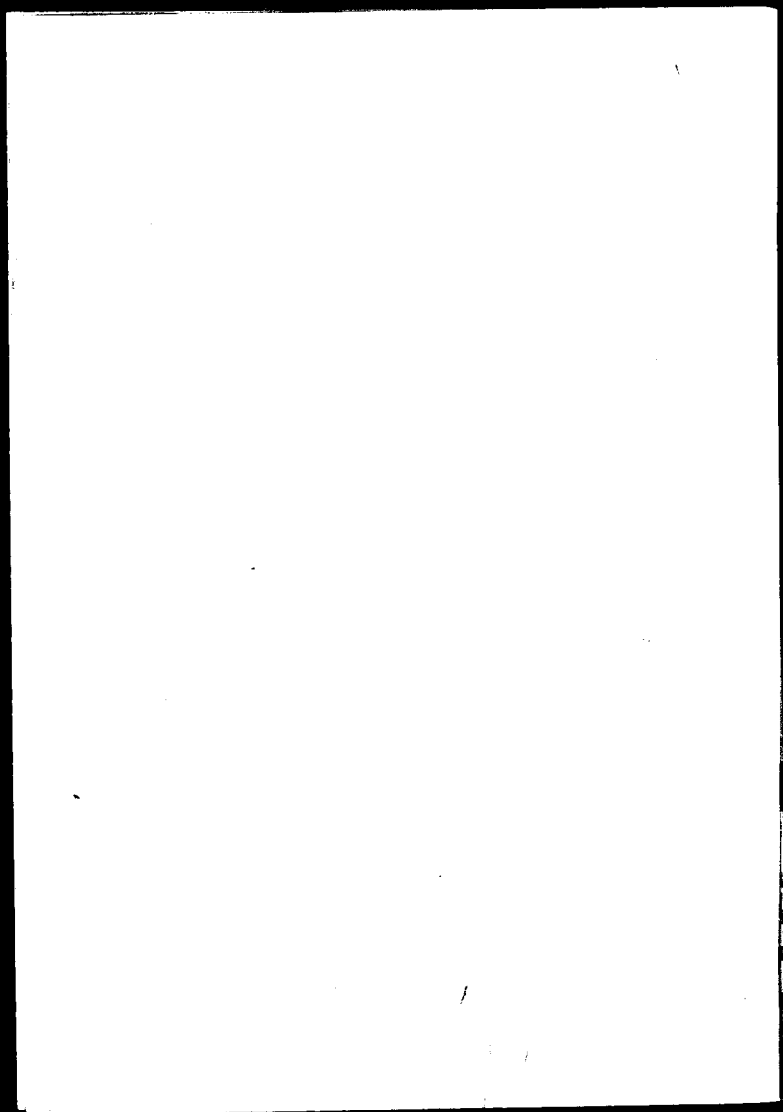
The ship was attacked by 13 pirates who had embarked on her in the guise of passengers and forced to sail to Nanao-tao, where they looted her cargo valued at about \$ 100,000.

Measures Taken for Rescue, etc.

On the 17th, at 3 o'clock in the morning, the pirates landed in the vicinity of Tayu, Jaoping-hsien, whereupon the ship called at Tolin and, after reporting the outrage to the customs house there returned to Swatow that afternoon.

The Japanese Consul at Swatow sent a warning to the authorities of the Municipal Government.

On the 21st, at 5 o'clock in the afternoon, the British warship *Starling* went to Nanao-tao with a company of the Independent 2nd Division on board. In co-operation with the coast police, this force searched for the pirates with the result that they captured a pirate-ship carrying the looted cargo with forty-one pirate-suspects on board.



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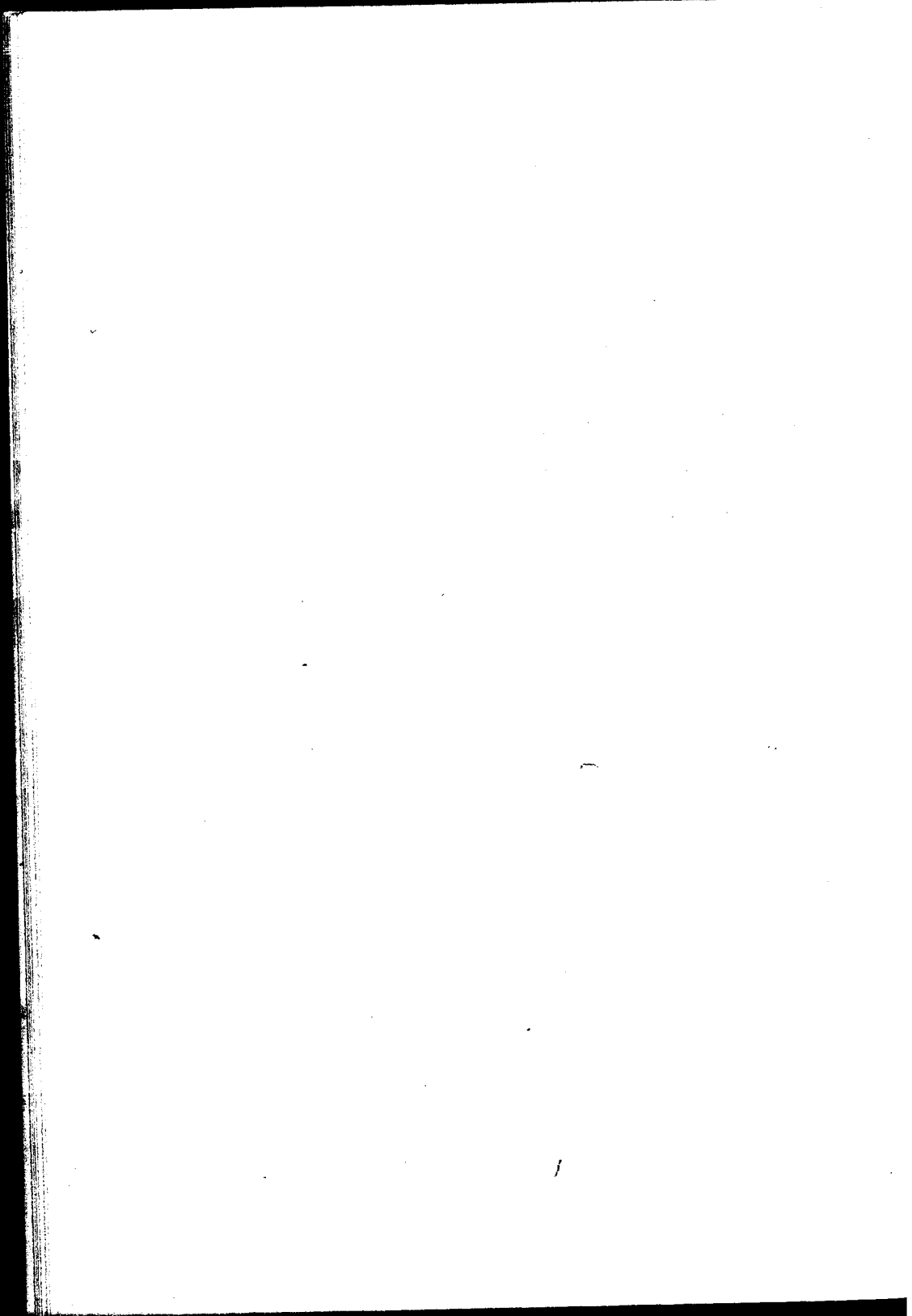
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By Lawrence J. [signature] ARS, 12-18-78

SUPPLEMENT

Tables Showing Outrages Committed by Chinese
Pirates on Ships of Various Nationalities
in Chinese Waters during
the Eleven Years:
1921-31

Prepared by the Naval General Staff

Tokyo, March, 1932



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By *Cham-21201* ARS, 12-18-75

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Table showing the Number of Ships of
Various Nationalities Sustained
Outrages Year by Year

Year	Japanese	British	German	Italian	Chinese	Norwegian
1921.....					3	
1922.....		1			2	
1923.....	1	1			1	
1924.....	1	1				
1925.....		1*			1	
1926.....	8 1*	1	1		3 1*	2
1927.....	4 3*	3 1*			4	1
1928.....	2 2*	3		1	4	
1929.....	4 1*	1				1*
1930.....	2*	1				1
1931.....	1*					
Total	30	14	1	1	19	5

Note: The asterisk denotes the locale of the outrage was the northern waters and the absence of it the southern waters of China.

Table showing the

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
1921				
January 21.	Kuanghsiang	Chinese	South China	12
December 15.	Kuangli	Chinese (China Merchants Steam Navigation Co.)	South China	35
December 18.	Huasheng	Chinese	South China	10
1922				
May 22.	Huasheng	Chinese	South China	
October 4.	Shengan	Chinese (Sanpei Co.)	South China	9
November 19.	Sulan	British (Hongkong, Canton & Macao Steamboat Co.)	Kwangtung Province, South China	60
1923				
January 23.	Hsianing	Chinese (China Merchants Steam Navigation Co.)	South China	

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Particulars of Outrages

Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
	\$ 22,000, exclusive of cargo.		
While sailing from Shanghai to Hongkong, the ship was attacked by pirates who had embarked on her disguised as passengers.	\$ 120,000, exclusive of cargo.		
	\$ 21,000, exclusive of cargo.		
	\$ 5,000, exclusive of cargo.		
While sailing from Macao to Hongkong, the ship was attacked by pirates who had embarked on her disguised as passengers.	Money in the possession of the crew only.		
While sailing from Hongkong to Macao, the ship was attacked by a large band of pirates.	\$ 34,000, exclusive of cargo.		
	\$ 20,000		

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
September 7.	Giyo Maru	Japanese (Nisshin Kisen Kaisha)	Fuochou on the Yangtze	
December 27.	Hislanzea	British (Chiuan Kungssu)		45
1924				
October	Daito Maru	Japanese (Uchida Kisen Kaisha)	Canton, South China	
October 3.	Liensheng	British	South China	34
1925				
January 13.	Kanghua	Chinese	South China	30
December 18.	Tungchou	British (Taichi Steamship Co.)	Between Chefoo and Weihaiwei, North China	

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Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
The ship was attacked by soldiers of the First Army of Ssuchuan.	Captain Hosokawa was shot dead. The chief engineer and chief mate carried away as hostages.		
While sailing from Hongkong to Swatow, the ship was attacked by pirates who had embarked on her disguised as passengers.	\$ 21,369 besides cargo valued at \$ 10,000.		
While the ship was at anchor in Canton harbour, pirates came alongside in a launch and attacked her.	97,000 <i>taels</i> besides 30 cases of silver bullion.		
	\$ 53,360, exclusive of cargo.		
While the ship was sailing from Shanghai to Tientsin, pirates who had embarked on her disguised as passengers rose and, after setting up their quarters on the main deck, pillaged her unmolested. On the afternoon of the 23rd, the ship entered the port of Chefoo.		British, American and French warships went for rescue from Shanghai.	

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
1926				
January 10.	Genbu Maru	Japanese (Osaka Iron Works)	Whampoo, Kwangtung Province, South China	15
February 8.	Jade	German (Bugsier Co.)	South China	
March 23.			Chentaotze in the mouth of the Piliupo, the Kwantung Leased Territory, North China	
March 25.	A junk	Chinese	Off Huayinkou, Chuang-ho-hsien, the Kwantung Leased Territory, North China	4
March 27.			The mouth of the Piliupo, the Kwantung Leased Territory, North China	3
April 1.			Ditto	3
April 2.			Ditto	3
April 2.			Off Shihcheng, Chuang-ho-hsien, the Kwantung Leased Territory, North China	4

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 By: *Clara J. [signature]* LARS, 12-18-75

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Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
While on her way from Keelung, Formosa, to Canton, the ship ran aground and was attacked by pirates. The crew, however, were not injured and called for rescue by wireless.	The belongings of the crew, rigging, etc. besides \$ 8,300.	An American destroyer hurried to the scene of distress from Hongkong.	
	Gold coins and sundry goods amounting to \$ 82,900.		
	\$ 80.00		An insignificant case of the looting of a fishing-boat.
While returning from Chuangho-hsien, the junk was overtaken by two pirate-ships which fired a shot to stop her, but soon ran away.	\$ 3.00		Ditto
	\$ 87.00		Ditto
	\$ 17.50		Ditto
	\$ 3.14		Ditto
	\$ 156.10		Ditto

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
April 6.	Tayu	Chinese		
April 8.			The mouth of the Piliu-ho, the Kwantung Leased Territory, North China	3
April 9.			Wulipaotze, Lanchou-hsien, the Kwantung Leased Territory, North China	3
April 10.			Ditto	5
April 15.			The mouth of the Piliu-ho, the Kwantung Leased Territory, North China	3
April 15.	Taiyo Maru	Japanese (registered in Formosa)	Tienwei, Haifeng-hsien, South China	
April 16.			Off Shihcheng, Chuang-ho, the Kwantung Leased Territory, North China	3
April 25.	Shingkiang	Chinese	South China	
April 26.			Off Huayinkou, Chuang-ho-hsien, the Kwantung Leased Territory, North China	3

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 By *James H. [unclear]* IARS, 12-18-75

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Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
	89 baskets of salted fish.		An insignificant case of the looting of a fishing-boat.
	\$ 162		Ditto
	\$ 104.10		Ditto
	\$ 11		Ditto

While lying at anchor during a voyage from Shanwei to Swatow, the ship was attacked by pirates who carried off 14 of the crew, for a ransom of ¥5,000, but subsequently released them in exchange for ¥3,000.

Except for 3,000 yen paid as ransom, no loss was sustained. All the crew were safe.

\$ 5.00	Ditto
Whole cargo.	
\$ 62.40	Ditto

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
May 3.			The mouth of the Tsantze, North China	3
May 22.			Ditto	5
May 23.	Hoei Maru	Japanese	South China	
May 25.			Off Hahsien Island, the Kwantung Leased Territory, North China	2
June 2.			Dairen Bay, the Kwantung Leased Territory, North China	5
June 5.			Lotoshih, Pulantien, North China	2
June 30.	Hoei Maru	Japanese (Owned by a Japanese at Port Arthur)	The Kwantung Leased Territory, North China	
July 8.			Off Kehsien Island, the Kwantung Leased Territory, North China	2

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 By Clara L. Jones JARS, 12-16-75

Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
			An insignificant case of the looting of a fishing-boat.
			Ditto
	\$ 4,000 besides the whole cargo.		
	\$ 600		Ditto
		12 pieces of clothing.	
	\$ 25		
On June 24, the ship left Port Arthur with eight Japanese on board and was engaged in fishing for sea-breams off the port, when she was fired upon by a Chinese junk and two of her crew were wounded. Subsequently, while the pirate junk was casting anchor, the ship made good her escape and safely returned to Port Arthur on July 1.	Two of the crew wounded.		
	\$ 4.55		Ditto

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
July 9.			Off Kehsien Island, the Kwantung Leased Territory, North China	3
July 12.			Off Chengshan, Pulantien, the Kwantung Leased Territory, North China	3
July 12.			On the coast of Maitao Island, the Kwantung Leased Territory, North China	3
July 13.	Kuangli	Chinese (China Merchants Steam Navigation Co.)	South China	
July 15.			Kuanglutao Island, the Kwantung Leased Territory, North China	3
—	Solviken	Norwegian (Wallem Co.)	South China	6
July 15.			West of Pitzeko, Chinchou, the Kwantung Leased Territory, North China	3
July 16.			Off Heitao Island, the Kwantung Leased Territory, North China.	2

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DECLASSIFIED: E. O. 11652, Sec. 3(E) and 5(D) or (E)
 Dept. of State Letter, Aug. 10, 1972
 By Clara Lopez ARS, 12-16-75

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Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
	\$ 3.70		An insignificant case of the looting of a fishing-boat.
	\$ 67.80		Ditto
	\$ 9.00		Ditto
	\$ 9.00		Ditto
	\$ 44		Ditto
	\$ 24.75		Ditto

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
July 22.			Off Laohushan, the Kwan-tung Leased Territory, North China	3
July 23.			Off Laohutan, the Kwan-tung Leased Territory, North China	4
July 24.			Off Hsiatao Island, Hsiangliangshan, North China	7
August 21.	Sandviken	Norwegian	Bias Bay, South China	38
August 30.	Menado Maru	Japanese (Osaka Shosen Kaisha)	Entrance to the port of Canton, South China	
September 3.	Fukuwa Maru	Japanese (registered in Formosa)	Hochai, Nanao-tao, South China	

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DECLASSIFIED: E. O. 11652, Sec. 3(E) and 5(D) or (E)
 Dept. of State Letter, Aug. 10, 1972
 By *William J. Long* LARS, 12-18-75

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Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
	\$ 86.60		An insignificant case of the looting of a fishing-boat.
	\$ 53.00		Ditto
			Ditto
<p>On her way from Hongkong to Shanghai, pirates who had embarked on her disguised as passengers rose and, after pillaging the ship, caused her to be steered to Bias Bay, where they landed and escaped.</p>			
<p>When the steamer was about to enter the port of Canton, she ran aground, and, at midnight, was attacked by pirates. Although there was no casualty among the crew, fairly serious damage was done to her hull and cargo. She entered the port on September 1.</p>			
On the receipt of news that the ship was about to be seized by pirates, a destroyer hurried to the scene from Mako and rescued her.	Whole cargo.	<p>On September 4, a destroyer was despatched from Mako, and, on the 5th, after rescuing the <i>Fukuwa Maru</i> and the <i>Anei Maru</i>, she returned to the port.</p>	

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
September 3.	An-ei Maru	Japanese (registered in Formosa)	Hochai, Nanao-tao, South China	
September 8.	Taiyo Maru	Japanese (registered in Formosa)	Near Swatow, South China	
November 15.	Hsinning	British (China Navigation Co.)	South China	
November 18.	Shoko Maru	Japanese (Nisshin Kisen Kaisha)	20 miles down the Yang- tze from Hsiaoyin	
1927				
January 27.	Shuangmei	British (Yangho Co.)	South China	40

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DECLASSIFIED: E. O. 11652, Sec. 3(E) and 5(D) or (E)
 Dept. of State Letter, Aug. 10, 1972
 By Clara Lopez PARS, 12-16-78

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Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
The ship was found in the same condition and was saved by the destroyer that went to the rescue of the <i>Fukuwa-Maru</i> .	Whole cargo		
On receipt of news that the ship was still detained by pirates nearly two months after her capture, a search for her was made by a destroyer despatched for that purpose, but in vain.		The destroyer <i>Kokaze</i> despatched from Mako searched for the ship, but, having failed to find her, she returned to the base on the 26th.	
Pirates attacked the ship and set fire to her cargo.	Most of the cargo burnt		
While steaming from Hankow to Changsha, the ship was suddenly fired on by Chinese soldiers, and, when she cast anchor, they boarded her and demanded \$15,000. As there was not so much cash in her coffers part of the sum demanded was handed over, but they continued to stay aboard and, eventually, held the captain in custody, so that an urgent call for rescue was sent to Hankow.	A portion of the money demanded, viz.: \$1,250; one passenger wounded.	The gunboat <i>Katata</i> hurried to the scene from Hankow with a representative of the Southern army on board.	
While the ship was sailing from Amoy to Rangoon, she was attacked by pirates.	\$100,000 besides cargo.		

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
March 21.	Hesheng	British (Indo-China Steam Navigation Co.)	South China	15
March 25.	(A raid on the base of pirates)		Bias Bay, South China	
July 20.	Solviken	Norwegian (Wallem Co.)	South China	
August 10.	Hirao Maru	Japanese (Kokusai Unyu Kaisha)	Off Haichow, North China	

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 Dept. of State Letter, Aug. 10, 1972
 By Chambers MARS, 12-18-75

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Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
	\$ 100,000 and valuables.		
Indignant over outrages committed by pirates on ships of British nationality, the Hongkong Government despatched four warships with aeroplanes and a force of 300 marines to Bias Bay and delivered an attack upon the pirate base there. This punitive expeditionary force returned to Hongkong on the same day.	(140 houses and 40 junks destroyed by fire.)		
	\$ 30,000		
The ship was looted by bandits and the captain and three others were taken as hostages. She entered the port of Tsingtao and reported on the outrage on the 12th.	The captain, quartermaster, interpreter and one passenger, totalling four, carried off for ransom; a large amount of money and valuables looted.	The Japanese destroyer No. 18 and the steamship <i>Shin Oki Maru</i> with guards on board were hurriedly despatched to Haichow. As a result of negotiations with the Chinese authorities, they handed over \$ 3,500 to the pirates, and the men who had been detained were released and returned to Tsingtao on September 4.	

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
August 16.		Japanese (A Japanese Match Co.)	Off Haichow, North China	
August 21.	Times Maru	Japanese (Chartered by the Mitsui Bussan Kaisha)	Whampoo, Kwangtung Province, South China	
August 30.	Jihsheng	British (Indo-China Steam Navigation Co.)	South China	18
September 13.	Otaka Maru	Japanese (Otaka Goshi Kaisha)	Hsinpu near Haichow, North China	
September 24.	Shengchih	Chinese	South China	
October 19.	Aijen	Chinese (China Merchants Steam Navigation Co.)	Bias Bay, South China	18

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Dept. of State Letter, Aug. 10, 1972
By Canon 2/20/72 WARS, 12-18-72

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Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
A Chinese sailer laden with matches shipped by the company was looted by pirates.	Matches valued at approximately ¥ 1,200.		
During a voyage from Keelung, Formosa to Canton, the ship ran aground and was twice attacked by pirates on the night of August 21, but safely made the port of Canton the following day.	Provisions, rigging, and the belongings of the crew, amounting to approximately ¥ 6,000 in value.	A protest was entered with the Chinese authorities by the Japanese Consul-General at Canton.	
	\$ 10,000, exclusive of cargo.		
On September 12, while going from Haichow to Hsinpu by junk, two Japanese were carried off as hostages.	Two Japanese taken as hostages.	The Japanese Consul - General at Tsingtao sent the steamship <i>Dai-ni Oki Maru</i> to Haichow on the 16th to rescue the kidnapped men.	
	\$ 100,000		
On her way from Shanghai to Amoy, the ship was attacked by pirates who had embarked on her disguised as passengers. When she was about to enter Bias Bay by order of the pirates, she was fired on by a British submarine and sank.	The ship lost; 60 of the crew drowned.	The British submarine and a British warship hurriedly sent from Hongkong rescued 220 out of the crew of 280.	

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
October 24.	Kiangching	Chinese (China Merchants Steam Navigation Co.)	Up the Yangtze from Ichang	30
November 24.	Shinko Maru	Japanese (Machida Shokai, Kobe)	Whampoo, Kwangtung Province, South China	
November 26.	Shinko Maru	Japanese (Machida Shokai, Kobe)	Whampoo, Kwangtung Province, South China	8
November 30.	Hsiangtan	British (Indo-China Steam Navigation Co.)	15 miles down the Yangtze from Ichang	
December 2.	Kunzan	Japanese (Taiseisho Steamship Co.)	Changte route on the Yangtze	50

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 Dept. of State Letter, Aug. 10, 1972
 By William J. Hagan MARS, 12-18-75

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Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
Two hours out of Ichang, the ship was attacked and looted by pirates who had embarked on her disguised as passengers.	A large amount of money and valuables; 60 of the crew wounded.		
At noon, a launch appeared and fired on the ship which, having no pilot on board, ran aground. The crew fought with the pirates and also succeeded in refloating the ship 20 minutes later and in steering her into the Whampoo Harbour.			
At 3 o'clock in the morning, while the ship was at anchor, she was again attacked by pirates, but the crew fought bravely and drove them off.			
Owing to engine trouble, the ship was temporarily lying at anchor, when bandits came alongside in sampans and fired shots from revolvers. They then came aboard and, after looting, carried off the captain, an Englishman, for a ransom of \$100,000.	Two passengers wounded and two of the crew shot dead; \$20,000 looted; and the captain carried off as a hostage.		
At night, Chinese soldiers attacked and looted the ship.	A Chinese passenger killed and two others wounded.		

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
December 12.	Maoli	Chinese (Captain: a Japanese)	Second bar of the Chukiang River, South China	
1928				
January 17.	Hsin-nanhai	Chinese (Captain: an Englishman)	Hsikiang, South China	18
February 10.	Zuiho Maru	Japanese (Zuiho Kisen Kaisha)	Shihchiuso, south of Tsingtao, North China	

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 Dept. of State Letter, Aug. 10, 1972
 By Clara L. Hagan LARS, 12-16-75

— 53 —

Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
While the ship was sailing from Hongkong to Canton, bandits came alongside in three junks and, after firing from revolvers, came on board, and started looting, but on the appearance of a Chinese warship in the distance, they made a hasty retreat.	Articles valued at approximately ¥1,000 and ¥60 in cash.		
The ship which was on a regular service between Hongkong and Kiangmen was attacked by pirates who had embarked on her disguised as passengers and tried to stop her. While the crew were fighting with the pirates, a British gunboat came hurriedly to the rescue, and, seeing this, the pirates flung themselves into boats and fled, seven of them succumbing to the fire of them by the gunboat which gave them chase.	Two Indian guards killed and two wounded.		
While the ship was sailing from Hai-chow to Tsingtao, she was pursued and fired on by a pirate ship, but she managed to escape and entered the port of Tsingtao.			

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
February 11.	Hirao Maru	Japanese (Koku-sai Unyu Kaisha)	Vicinity of Nainaishan off Haichow, North China	
February 23.	Huaan	Chinese (Changan Co.)	Off Wenchow, South China	14
February 27.	Kinko Maru	Japanese (owned by a Japanese, Shiozaki, in Osaka Prefecture)	Haitan-tao Island, Fukien Province, South China	

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 By Cham-Ligon IARS, 12-18-75

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Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
While the ship was lying at anchor, the pirate ship <i>Kaitsu Maru</i> , a captured Japanese ship, approached, upon which the captain of the <i>Hirao Maru</i> cut her anchor-chain and fled. The pirate ship pursued the ship and fired on her for more than two hours.	Two of the crew wounded, one of whom succumbed to his injuries soon after.	Upon the approach of the Japanese war-ship, <i>Tsushima</i> and the destroyer <i>Tsubaki</i> , the <i>Kaitsu Maru</i> fled, carrying off four Japanese who were rescued by the 9th destroyer flotilla on the 16th.	
The ship which had sailed from Shanghai on the 22nd was steaming for Foochow, when pirates who had embarked on her disguised as passengers rose and, after seizing control of her, started looting. On the 26th, when she was in the vicinity of Shanwei, they lowered boats and made their escape, carrying with them their booty and hostages. The ship entered the port of Shanwei on the 28th.	Approximately \$ 10,000 in cash; four cases of goods; and five passengers and one of the crew carried off as hostage.		
Immediately as the ship ran aground, pirates came alongside in more than 100 sampans and, swarming on to the deck, looted and pillaged as they pleased. While so engaged on the following day, Japanese destroyers reached the scene and one of them, <i>Tanikaze</i> fired blank shots and machine guns to scare the pirates, whereupon the pirates fled panic-stricken. The captain and crew found shelter in Chinese fishing boat and later were rescued by the destroyer, <i>Aoi</i> .	Cargo (coal) equipments and accessory.	The 14th destroyer flotilla (exclusive of <i>Kokaze</i> went to the rescue from Mako and <i>Tanikaze</i> scared the pirates away by firing blank shots.	

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
April 14.	Hsinhua	Chinese (China Merchants Steam Navigation Co.)	Bias Bay, South China	25
May 27.	Te-an	British (Butterfield and Swire Co.)	South of Hoihow, Hainan-tao, South China	27
August 22.	Joyo Maru	Japanese (Nisshin Kisen Kaisha)	Between Kiukiang and Tayeh on the Yangtze	5

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 By Clare D. Jones IARS, 12-16-75

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Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
On April 12th, the ship sailed from Shanghai for Hongkong, and, during the voyage, pirates who had been among the passengers rose and forced her to proceed to Bias Bay where she cast anchor on the 15th. Early on the next morning, the pirates transshipped her cargo into sampans and hurriedly rowed away, carrying with them hostages, when they saw a British gunboat approaching at high speed.	Cargo valued at about \$ 20,000; the captain and five others taken as hostages.	A British gunboat hurried to Bias Bay, and, although officers and men landed and searched for the kidnapped men, they were unable to find them.	
The ship left Haifeng and reached Hoihow the following day. On the morning of the 27th, just before her departure, she was lying at anchor outside the port, when pirates who had been on board mingled with the passengers rose and had a course set for Bias Bay. On reaching the Bay, however, they found a British warship there, so that the pirates made for Pinghai east of the bay. When they were about to land there with their hostages, a customs ship came along and opened fire upon them with the result that they hastily landed and fled, leaving the hostages behind.			
While steaming up the Yangtze, the ship was attacked and looted by pirates who had been on board among the passengers. After a short while, they left her, carrying with them their plunder.	Two Japanese wounded.		

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
September 26.	Anching	British (Butterfield and Swire Co.)	Off Annam	25
October 10.	Tingyuan	Italian (Tingyuan Navigation Co.)	Five miles down the Yangtze from Chung-ching.	6
November 3.	Shashih	British (Butterfield and Swire Co.)	Five miles down the Yangtze from Hankow	32
December 12.	Hsiushao	Chinese	Five miles down the Yangtze from Wuhu	

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Dept. of State Letter, Aug. 10, 1972
By Lawrence J. [unclear] IARS, 12-18-75

Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
On September 23, the ship left Singapore and, while steaming for Hongkong via Macao, pirates who had embarked on her in the guise of passengers rose and set a course for Bias Bay, where, after looting her, they landed on the 28th and fled, carrying hostages with them.	Three officers killed; the captain and several others wounded; seven passengers taken as hostages; \$ 4,500 in cash and goods valued at approximately \$ 80,000 looted.		
Soon after leaving Chungching, the ship was attacked by bandits in the vicinity of Tafutsu. One of them fired at the pilot and, when the ship came to a stop, they planned to abduct the captain, but abandoned the idea for fear of the local soldiery, and, after robbing the crew of their belongings, made good their escape.	The pilot wounded; the belongings of the crew looted.		
On the night of the 3rd, while the ship was steaming from Hankow to Shanghai, pirates who had been on board mingled with passengers rose, when she reached a point five miles down from Hankow, and, after looting her, left her in a steam-launch waiting for the purpose and landed.	A passenger and two of the crew wounded; one of the crew killed; \$ 11,000 looted.		
The ship was attacked and looted by bandits who had embarked on her in the guise of passengers.			

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
1929				
July 26.	Saiun Maru	Japanese (Tow-boat of Taiseisho Co.)	Changsha route on the Yangtze; Ten miles up from Yohchow	20
August 22.	Taki Maru	Japanese (owned by a Japanese in Hiroshima Prefecture)	Off Chenchia south of Haichow, North China	
September 12.	Botnia	Norwegian (Hansen Steamship Co.)	Off Haichow, North China	
September 21.	Delhi Maru	Japanese (Osaka Shosen Kaisha)	Bias Bay, South China	

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 Dept. of State Letter, Aug. 10, 1972
 By James Thompson LARS, 12-18-75

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Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
While steaming for Changsha with a passenger-ship in tow, the boat was fired upon and looted by disbanded soldiers of Kueichow.	Five passengers killed and three others wounded.		
While the ship was aground, some Chinese ships hovered about her off and on and sometimes fired on her, but she sustained no loss in life or cargo. On the 27th, she was refloated and reached Tsingtao the following day.			
While the ship was stranded, pirates attacked her and carried off the captain and two others for a ransom of \$500,000.	The captain and two others taken as hostages.	The warship <i>Chnyu</i> of the Chinese North-Eastern Squadron hurried to the scene from Tsingtao.	
When the ship that had sailed from Swatow on the 20th was steaming east of Bias Bay for Hongkong, she was overtaken by pirates on the following day. They looted the ship and detained a number of passengers for ransom, but, upon the approach of a British destroyer, hastily left her and made good their escape. The ship reached Hongkong safely on the evening of the 21st.	Four Chinese passengers and another who was domiciled in Formosa taken as hostages.	The British destroyer, <i>Sandwich</i> , which happened to be on patrol in Bias Bay, hurried to the scene.	

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
December 8.	Haiching	British (Douglas Steamship Co.)	Bias Bay, South China	20
December 14.	Dai-hachi Masu- tomi Maru	Japanese (Fishing-boat)	Chungming-tao Island, Central China	
December 23.	Ryujin Maru	Japanese (Murao Kisen Kaisha)	Whampoo, Kwangtung Province, South China	20
1930				
May 1.	Yeiho Maru	Japanese (Fishing-boat)	Off Haichow, North China	

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 Dept. of State Letter, Aug. 10, 1972
 By Clawson 2/2/73 LARS, 12-18-75

Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
On December 7th, when the ship was sailing off Bias Bay during a voyage from Swatow to Hongkong, pirates who had embarked on her disguised as passengers, rose, set fire to the ship and started looting, but her English officers, drove them off after a fight lasting for several hours. Guarded by destroyers despatched from Hongkong, the ship reached her destination on the night of the 8th.	Many casualties; part of the ship's hull destroyed by fire.	Two British destroyers sent from Hongkong to the rescue.	
While lying at anchor near Chung-ming-tao Island on account of dense fog, on her way back from off Woon-sung where she had been engaged in fishing, the ship was attacked by pirates.	A Chinese sailor wounded.	Rescued by the Japanese ship <i>Wakamatsu Maru</i> .	
On December 22nd, the ship ran aground outside the Whampoo Harbour and was attacked by pirates that night.	No loss in life and no damage to the ship's hull; articles valued at ¥3,500 looted.	A Japanese gunboat, <i>Uji</i> , went to the rescue from Canton.	As the ship had run aground ten days before, her captain who was ashamed of the recurrence of the mishap delayed in reporting that she was in distress.
While out fishing, the ship was attacked by pirate-junks.	Fish and all fishing implements and clothes in the ship.		

Date	Name of Ship	Nationality	Place where sustained	Number of Pirates
May 1.	Dai-shijuroku Banshu Maru	Japanese (Fishing-boat)	North of Haichow, North China	
July 20.	Helikon	British (Wo Fat Shing Co., of Hongkong)	A point 180 miles south of Hongkong, South China	16
November 12.	Highland	Norwegian	Bias Bay, South China	
1931				
July 14.	Kito Maru	Japanese (Motor- ship registered in Formosa)	Near Machi near the entrance to the port of Swatow, South China	Over 10

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 Dept. of State Letter, Aug. 10, 1972
 By *Clara L. Ligon* LARS, 11/2-18-75

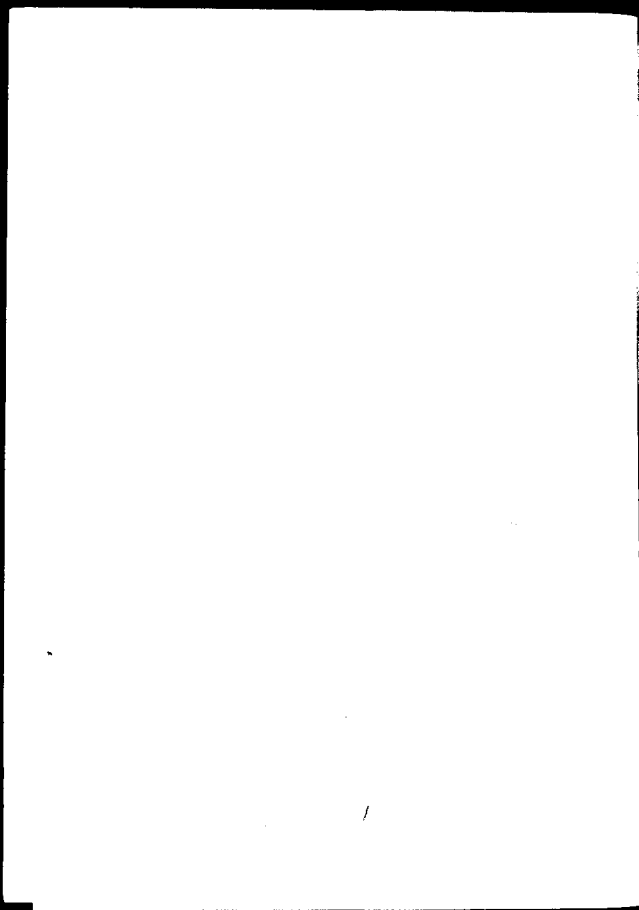
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Description of Outrage	Extent of Loss	Measures taken for rescue, etc.	Remarks
While out fishing, the ship was attacked by pirate-junks.	Fishing implements and part of rigging.		
When the ship came to the said point during a voyage from Hongkong to Saigon, pirates who had embarked on her disguised as passengers rose and set the course for Bias Bay, where they looted her and escaped. She reached Hongkong on the 22nd.	Quantity of looted cargo unknown; 11 Chinese taken as hostages.		
While sailing from Swatow to Panshih with 200 passengers on board, the ship was attacked by pirates who had been among the passengers and forced to go to Bias Bay. On the 13th, she was set free and entered the port of Hongkong.	A Chinese wounded and two Chinese taken as hostages.		
While lying at anchor near Machi near the entrance to the port of Swatow, the ship was attacked by pirates.	Whole cargo.		

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By *David L. [illegible]* LARS, 12-18-72

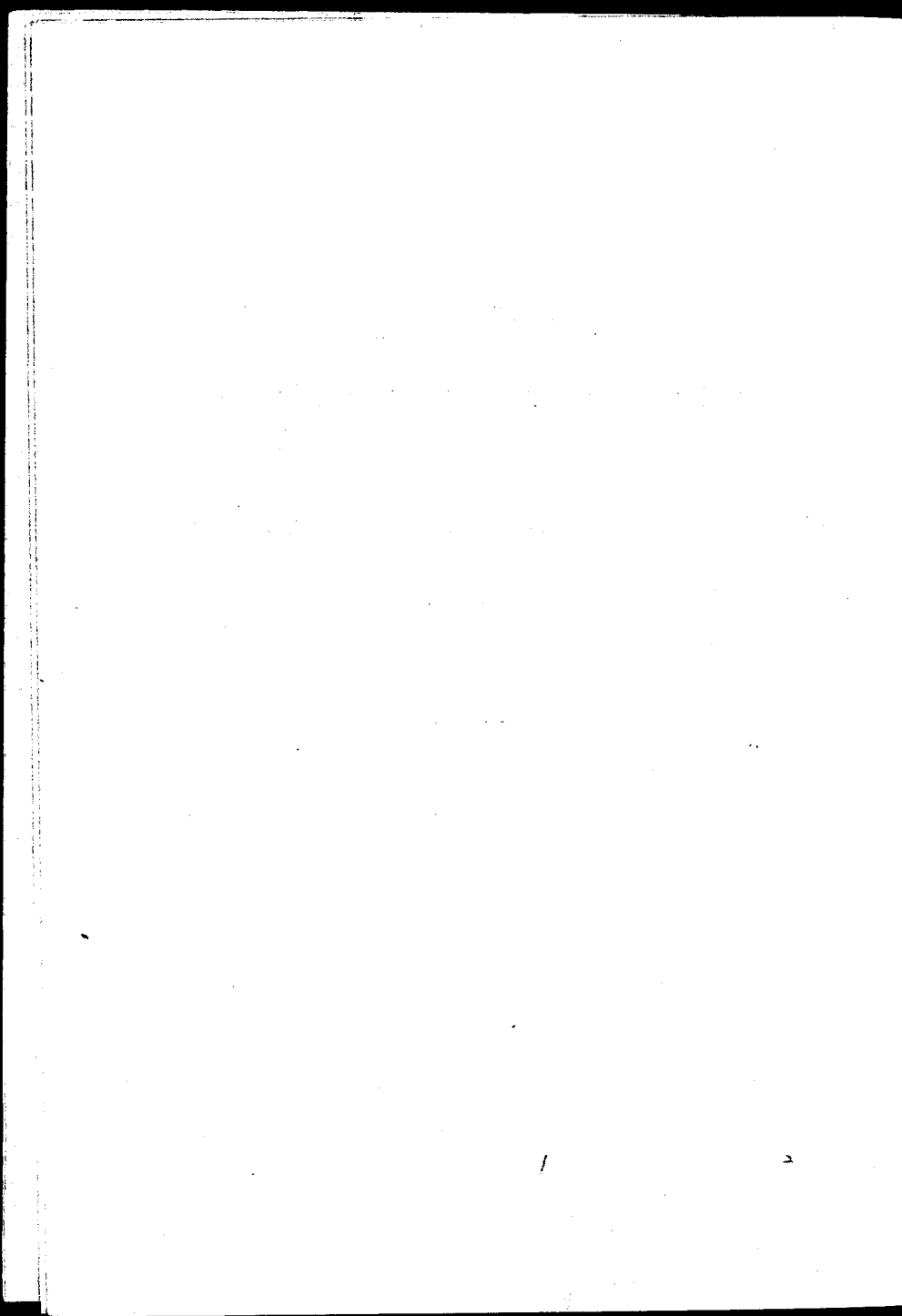
APPENDIX A-2



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Dept. of State Letter, Aug. 10, 1972
By Samuel H. Jones JARS, 12-18-78

Tables Showing
Outrages Committed by Chinese
on
Foreigners other than Japanese in China
During the Past Ten Years (1922-31)

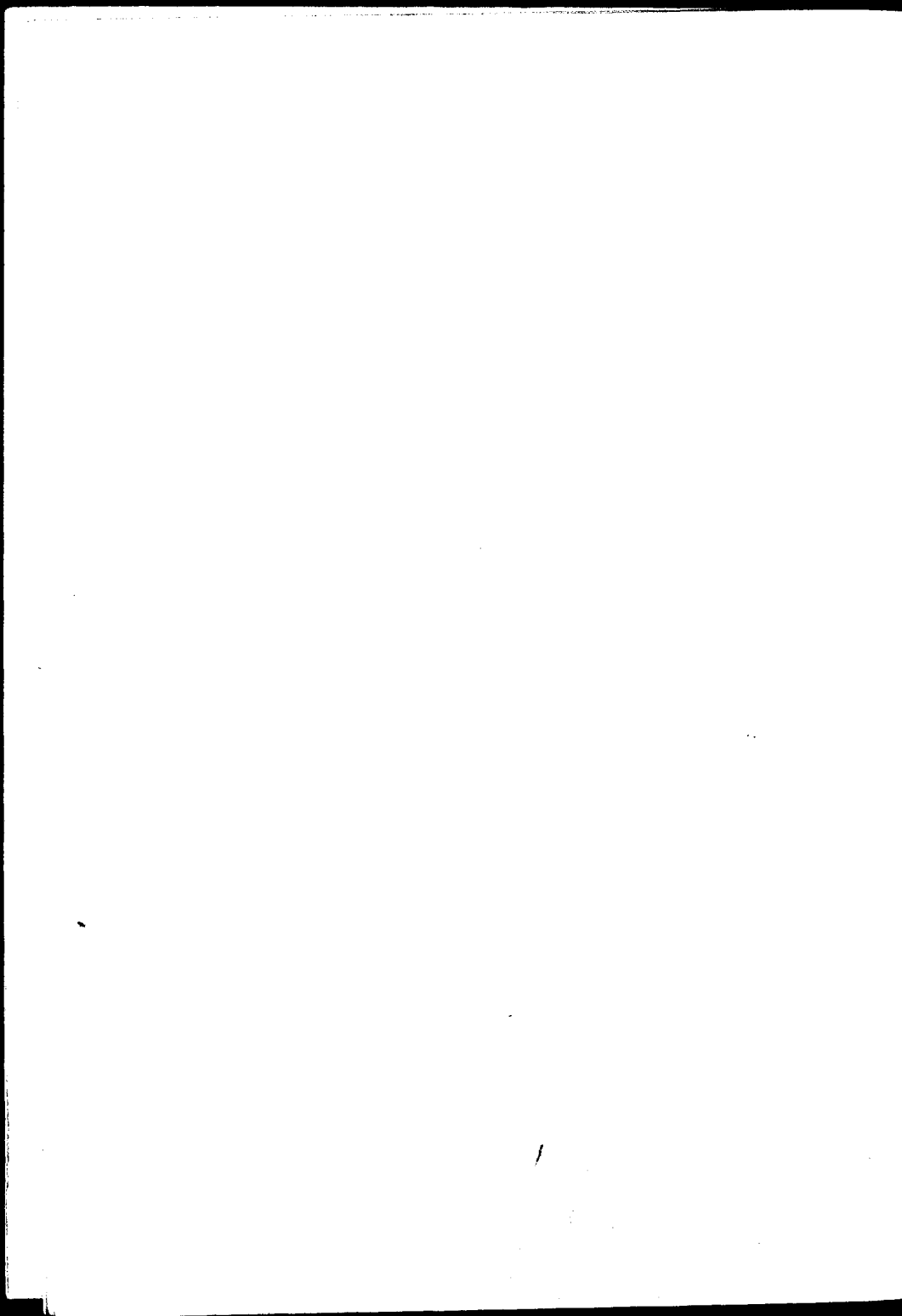


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Dept. of State Letter, Aug. 10, 1972
By William H. Jones JARS, 12-18-75

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Table Showing the Particulars of Outrages Year by Year ...	3



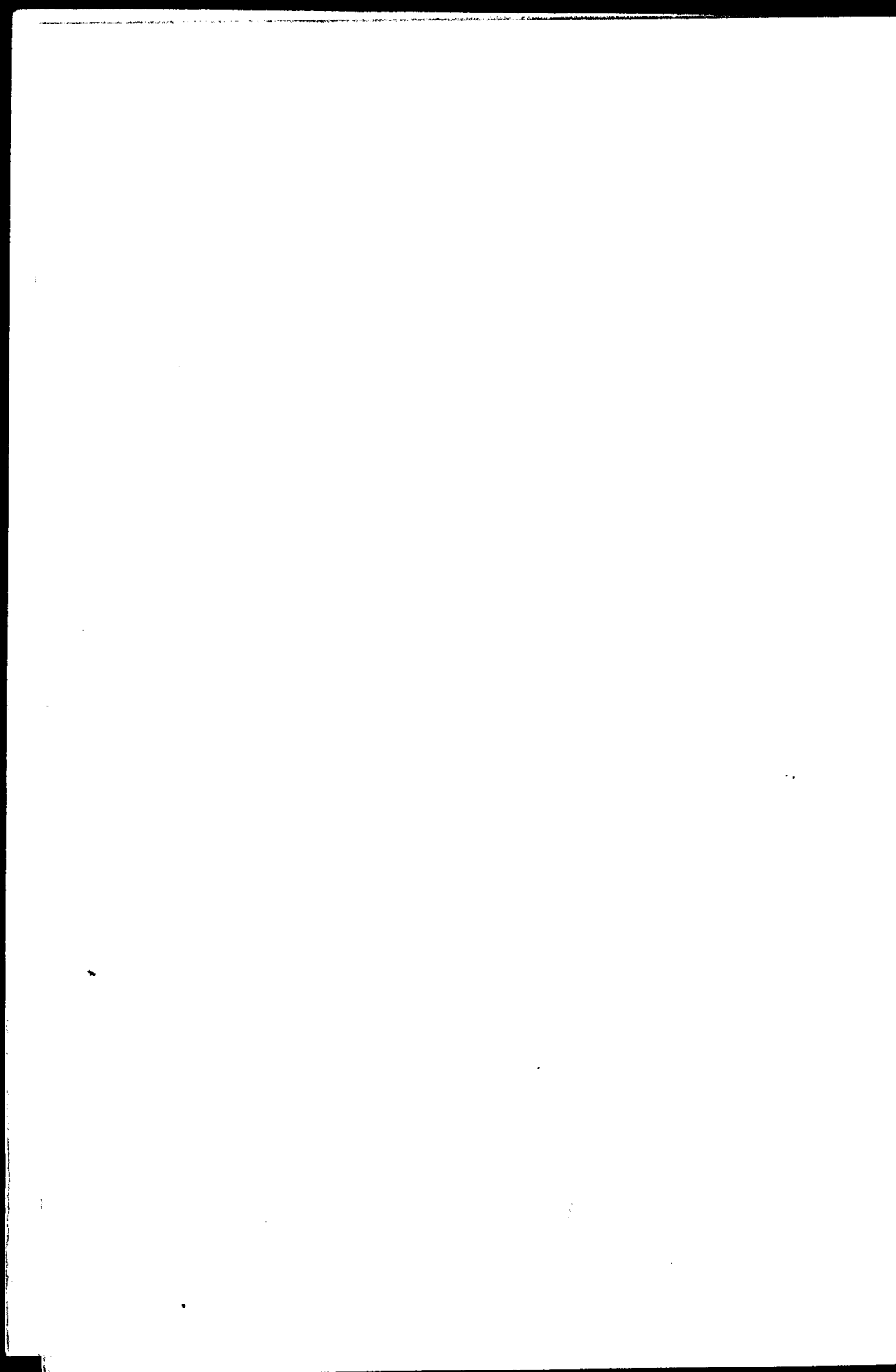
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 Dept. of State Letter, Aug. 10, 1972
 By *Lawrence J. ...* JARS, 12-18-75

TABLE SHOWING
 THE TOTAL NUMBERS OF OUTRAGES SUSTAINED BY
 FOREIGNERS OTHER THAN JAPANESE IN CHINA
 DURING THE PAST TEN YEARS (1922-31)

NATIONALITY	KIND OF OUTRAGE					
	Murder	Injury	Abduction for ransom	Destruction and looting of houses	Violence	Attack upon ship
British.....	8	5	46	4	1	9
American	12	8	48	5	3	2
German	1	—	1	4	—	—
French	2	1	8	3	1	—
Belgian	3	—	1	1	—	—
Norwegian.....	—	—	7	—	—	—
Swiss	—	—	1	—	—	—
Swedish	—	—	2	1	—	1
Greek	—	—	1	—	—	—
Italian	2	—	1	—	—	—
Irish.....	—	—	2	—	—	—
Finnish	3	—	—	—	—	—
Portuguese	—	2	—	—	—	1
Canadian	1	—	—	—	—	—
Indian	5	1	—	—	—	—
Unknown	2	1	33	—	—	1
Total	39	18	151	18	5	14

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 Dept. of State Letter, Aug. 10, 1972
 By *Cambridge* JARS, 12-16-72

TABLE SHOWING
 THE PARTICULARS OF OUTRAGES
 YEAR BY YEAR



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 Dept. of State Letter, Aug. 10, 1972
 By *Lawrence J. [illegible]* JARS, 12-18-78

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1922

Date	Place where committed	Victim	Nationality	Details
January	Vicinity of Lichuan in Shihnanfu, Hupei Province	A missionary	Belgian	Murdered by bandits.
January 9	Iliang Station, Yunnan Province	Messrs. Gilbert and Malertique, railway officials	French	Three hundred bandits attacked the Iliang Station and, after looting some \$1,000 including the funds kept at the station, carried off two railway officials, Messrs. Gilbert and Malertique, for ransom. Later that day, Mr. Malertique tried to escape, but, while the bandits were being pursued by the local soldiery, was shot to death; whereas, Mr. Gilbert caught his captors off their guard and made good his escape, returning safely to the station.
January 22	Hupei Province	A sailor	American	In the neighbourhood of the Bund of Ichang, six armed Chinese soldiers levelled bayonets at a sailor of the United States warship "Ercano" (?) who was on his way back to his ship, and, after robbing him of about seven dollars, detained him for some time.
February 16	Hunsheitan, Yunnan Province	Rev. Howard Taylor and his wife	—	While travelling on an evangelistic mission from Yunnan to Kueichow, the couple were carried off by bandits and held for two months.

1922

Date	Place where committed	Victim	Nationality	Details
June 5	Lushan, Honan Province	Rev. and Mrs. Fredericksen, and Miss Staurseth	Norwegian	Approximately 4,000 bandits broke into the town and, after destroying the gate of the church of the Norwegian Lutheran Mission there and pillaging the church, set fire to the building. Then, they carried off Rev. Mr. Fredericksen, the missionary, Mrs. Fredericksen and Miss Staurseth, together with the members of congregation for ransom.
August 16	Shanchow, Honan Province	Mr. Raynourd, chief railway engineer, Mr. Mishayult(?), Mr. Ledgard and his daughter	French Greek French	Approximately 3,000 bandits attacked the town of Shanchow and carried off two Europeans and four Chinese for a ransom of \$200,000 (Mex.) Mr. Ledgard was beaten to death and his twelve-year-old daughter severely beaten. On account of this incident, the work of the construction of the railway in this district was completely halted.
October 14	Juhsien, Honan Province	Two missionaries	American	Bandits broke into the American church in the town and carried off the missionaries.
November 2	Yingchou, Anhwei Province	A missionary	—	Bandits from Honan broke into the town, set fire to it, practically destroying it, and carried off the missionary for ransom.

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 By *William J. [unclear]* LARS, 12-18-75

1922

Date	Place where committed	Victim	Nationality	Details
Towards the beginning of November	Chouchiakou, Honan Province	Six missionaries	American	At that time, bandits in Honan were rampant, of whom 6,000 attacked Chouchiakou and carried off the six American missionaries.
November 6	Shangwengh-sien, Honan Province	A missionary	British	Bandits attacked Shangweng-hsien and carried off an English missionary of the China Inland Mission.
November 8	Hsi-hsien, Honan Province	Rev. Mr. Borg-Breen, a missionary, and his five-year-old child.	—	Rev. Mr. Borg-Breen and his five-year-old child were attacked and carried off by bandits.
November 8	Chengyuang-hsien, Honan Province	Rev. George Holm, a missionary	—	Bandits attacked the house of Rev. George Holm and carried him off.
November 13	Honan Province	14 persons	British, American, French, Belgian, Norwegian, Italian and Swiss	Bandits in Honan were rampant in various towns and carried off three Englishmen, four Americans, two Frenchmen, an Italian, a Belgian, a Swiss and a Norwegian, totalling 14. Of them, the three Englishmen escaped and safely returned, but the rest are still missing.
November 14	Chumatien, Honan Province	Two missionaries	—	A large band of bandits attacked the town of Chumatien and, after heavy fighting with a detachment of the Northern Army, was repulsed. During the disturbance two foreign mission-

1922

Date	Place where committed	Victim	Nationality	Details
December 11	Vicinity of Changchiakou	Mr. Charles Colman	American	aries who lived at Hsintsai-hsien were carried off by the bandits. While carrying \$60,000 by motor-car from Changchiakou to Urga, he chanced to quarrel with Chinese guards, one of whom fired a revolver at him. He was taken to Peking for medical treatment, but died on the 15th.
December 16	Tungchou, Chihli Province	The chief of the Italian police at Tientsin and one other	Italian	While on their way to Peking by motor-car, they fell out with Chinese soldiers over a matter of tax at the customs house at Tungchou and were roughly handled by the soldiers.

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1922

The number of victims of the afore-mentioned outrages, classified according to kind:

<i>Kind</i>	<i>Number</i>	<i>Nationality</i>
Murder	1	American
	2	French
	1	Belgian
Total	4 persons	
Injury	1 person	French
Abduction	4	British
	12	American
	3	French
	1	Belgian
	1	Italian
	1	Greek
	1	Swiss
	4	Norwegian
	8	Unknown
Total	35 persons	
	1 case	French
Looting	(the loss was estimated at \$1,000)	
	2 cases	American
	(the loss was estimated at \$60,007)	
Total	3 cases	

1923

Date	Place where committed	Victim	Nationality	Details
May 6	Lincheng, Shantung Province	25 persons	—	Some 1,000 bandits attacked a train, shooting an Englishman to death and carrying off 24 foreigners.
May 22	Wulihsu, Kwangtung Province	Mr. H. C. Rawson, of the British-American Tobacco Co.	British	Mr. Rawson and several Chinese who accompanied him were detained for 18 days by about 15 bandits until they were rescued by Chinese troops.
June 15	Mehukang, Hupei Province	Father Marot, a missionary	American	Father Marot was carried off with some 50 Chinese of the propertied class by bandits to a mountainous locality at Ching-shan. The marauders demanded \$ 1,000,000 or 1,000 rifles for the release of the missionary.
July 16	Vicinity of the boundary between Chinchuan-hsien and Lichiang-hsien, Yunnan Province	Mr. Willoughby, a mining engineer	British	While on his way from Bahmo, Burma, to Peking through Yunnan, Mr. Willoughby was taken captive by bandits, but was subsequently rescued by the Chinese local authorities.
September 22	Hsihua, Honan Province	Misses M. Darroch and Mabel Sharp, missionaries	British	Misses Darroch and Sharp were attacked by bandits and carried off with many natives.
October	Shihpamaowan, Honan Province	Rev. Mr. Strauss, a missionary	German	While on his way from Hung-chiang-hsien to Wukang-hsien, Rev. Mr. Strauss was caught by bandits who demanded a ransom of \$ 10,000, but subsequently he was rescued by Chinese troops.

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 By *Lawrence J. ...* IARS, 12-18-75

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Date	Place where committed	Victim	Nationality	Details
November 13	Tungjen-hsien, Kueichou Province	Mr. Schmalzried, a physician	American	Mr. Schmalzried was caught and held in custody by bandits, but was subsequently set free.
November 13	Vicinity of Tiao-ling-i, Shantung Province	Two missionaries	French	These two French missionaries were carried off with their Chinese colleagues by bandits, but were subsequently rescued by Chinese troops.
November	Kwangtung Province	S.S. Juian	British	The steamer was attacked by Chinese pirates.
December 27	Vicinity of an island in, Pichszu Bay	S.S. Highland	British	The steamer was looted by some 50 Chinese pirates who had embarked on it disguised as passengers.
December 27	Tsaoyang, Hupei Province	A missionary, his wife and the wife of another missionary	American	The missionary and his wife were injured and the wife of another missionary carried off by bandits.

1923

The number of victims of the afore-mentioned outrages, classified according to kind.

<i>Kind</i>		<i>Number</i>	<i>Nationality</i>
Murder	... ..	1 person	British
Injury	... ..	2 persons	American
Abduction	... ..	4	British
		3	American
		2	French
		1	German
		24	Unknown
Total	34 persons	
Attack on ship...	1 case	British
Looting of ship	1 case	British

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1924

Date	Place where committed	Victim	Nationality	Details
January 3	Hsupu, Hunan Province	A missionary	—	Soldiers of the First Division of Hunan attacked the American church at Hsupu, destroying the chapel and firing at the missionary.
January 4	The upper reaches of the Yangtze at Tengtu, Szuchuan Province	Mr. Brand, the captain of a steamer	British	Bandits attacked a steamer and murdered the captain.
January 19	Vicinity of Shihlung, Kwangtung Province	S.S. Cheun Kong and S.S. Kow Kong	—	These steamers were attacked by Chinese pirates who looted them of 200 cans of kerosene oil and 100 bags of wax. Further, the bandits took away rigging, clothes, etc.
January 20	On the sea between Hongkong and Kechiangmen	S.S. Tali	British	Over 30 Chinese pirates, who had embarked on the ship in the disguise of passengers, murdered the captain, an Englishman, and inflicted serious wounds upon three of six Indian guards, one of whom succumbed to his injuries shortly after. The pirates, then, leisurely looted the ship, after which they carried off 19 persons from among the crew and passengers for ransom.
January 26	—	S.S. Salen (?)	Swedish	This ship, which was under charter to an American, was looted by Chinese pirates.

1924

Date	Place where committed	Victim	Nationality	Details
April 3	Vicinity of Kiukiang	S.S. Hsisha	Portuguese	As the steamer was about ten miles out of Kiukiang, she was attacked by some 30 Chinese pirates who had embarked upon her in the disguise of ordinary passengers. They shot three Indian guards to death and, after looting cash in the ship's coffers amounting to approximately \$6,000, money in the possession of passengers, and goods valued at about \$10,000, made their escape. In this incident, the captain and the chief engineer (both Portuguese) were slightly wounded.
April 26	Kueilin, Kwangtung Province	Rev. Mr. Cunningham, a missionary	—	Rev. Mr. Cunningham was killed by a stray bullet.
May 13	Yusha-hsien, Fukien Province	Mr. Dismore and Mr. Mackie	American British	When Mr. Dismore and Mr. Mackie went to Yusha-hsien to purchase timber, they were attacked and carried off by bandits. Mr. Dismore sustained a serious wound, while Mr. Mackie is still missing.
Towards the end of May	Kueilin, Kwangtung Province	Several missionaries	British and American	A party of missionaries who went to Kueilin to rescue missionaries and others previously carried away were attacked by bandits, and all of the party were carried off.

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 By *David L. [unclear]* LARS, 12-18-78

1924

Date	Place where committed	Victim	Nationality	Details
June 17	Wan-hsien, Hupei(?) Province	Mr. E.C. Hawley, a representative of the Arnold & Co.	American	While working on the loading of an English steamship, Mr. E. C. Hawley was murdered by Chinese boatmen.
June 24	Niaoshih, Hainan-tao	Rev. Mr. Pierce, a missionary	American	With a view to holding Rev. Mr. Pierce for ransom, a number of bandits asked him to accompany them, pretending that there was a man suffering from a sudden illness and they hoped the missionary would give him medical treatment. When he refused, they shot him to death.
July 31	Ichang, Hupei Province	The captain of a steamer, his wife and two women	American	When a certain Liu, adjutant to the Chenshousih (local military commander) at Ichang, with a body guard of some 15 men, went to the S.S. Alicetaler (?) to see off a friend of his, he fell out with Americans over the friend and finally beat the captain, inflicting wounds upon him. At the same time, one of his men fired, wounding the wife of the captain and two other American women.
October 12	Vicinity of Kuite, Honan Province.	A missionary and two others	—	Many bandits attacked a train and carried off a missionary, two Frenchmen and many Chinese for ransom.

1924

Date	Place where committed	Victim	Nationality	Details
November 18	Chechuan, Honan Province	Rev. A. Anda, a missionary	Norwegian	This Norwegian missionary was caught by bandits.
November 26	Juchou, Honan Province	Misses Elizabeth Berglund and Ingeborg Nystul	American	Bandits broke into Juchou and carried off the two American women who subsequently safely returned to the town.
December 30	Vicinity of Yangtsun, Chihli Province	Two Americans, three Englishmen, four Germans, and two Frenchmen		When a train from Peking was proceeding slowly along in the vicinity of Yangtsun, several Chinese soldiers boarded it and robbed passengers of money and valuables.

The number of victims of the afore-mentioned outrages, classified according to kind.

<i>Kind</i>	<i>Number</i>	<i>Nationality</i>
Murder	1	British
	2	American
	5	Indian
	1	Unknown
Total	9 persons	
Injury	2	British
	5	American
	2	Portuguese
Total	9 persons	
Abduction ...	20	British
(exclusive of several other Englishmen and Americans)		
	2	American
	2	French
	1	Norwegian
	1	Unknown
Total ...	26 persons	

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1924

Violence	1 case	American
Attack on ship	3								(the loss sustained: 200 cans of kerosene oil, 100 bags of wax, ship's rigging, and clothes)	British
	1								(the loss sustained: \$6,000)	Portuguese
Total	...	...	...	...	...	...	...	...	4 cases	
Looting	...	...	...	...	...	...	...	...	3	British
									2	American
									2	French
									4	German
									1	Swedish
Total	...	...	...	...	...	...	...	...	12 cases	

1925

Date	Place where committed	Victim	Nationality	Details
January 13	On the sea between Singapore and Hongkong	S.S. Fanghua	British	Some 30 Chinese pirates who had embarked on the ship in the disguise of passengers seized control of her and, while the ship continued to steam for Hongkong under their orders, they leisurely robbed passengers of money and valuable articles, after which they left her and landed on the coast of Pichszu Bay on the 16th.
May 3	Wan-hsien	Five sailors	French	These sailors landed at Wan-hsien, got drunk and created a disturbance. When a Chinese policeman tried to stop them they were severely beaten by an angry mob.
May 6	Shanghai	A steam launch	American	The launch was fired on by a Chinese warship.
May 9	Shanghai	Two men	British	In the unjustifiable firing upon the English ship "Doric" by a Chinese warship, two Englishmen sustained injuries.
August 6	Yinchangkou, Szuchuan Province	A missionary and nine members of his family	British	While passing the summer at Yinchangkou, the missionary and his family were attacked and carried off by bandits.
November 8	Szuchuan Province	S.S. Meijen	American	While steaming up the Yangtze, this ship met some 15 boats

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1925

Date	Place where committed	Victim	Nationality	Details
				manned by Chinese soldiers who fired upon her for no warrantable reason. In self-defence, her crew fired back at the soldiers.

The number of victims of the afore-mentioned outrages, classified according to kind.

Kind	Number	Nationality
Injury	2 persons	British
Abduction	10 "	"
Looting	1 case	"
Violence	1 case	French
Attack on ship	1	British
	2	American
Total	3 cases	

1926

Date	Place where committed	Victim	Nationality	Details
January 13	Kiukiang	Mr. Godett (?), President of the St. John's School	American	Some 100 students broke into the school building, destroyed fittings, instruments, etc., and confined Mr. Godett (?) in a room.
May 21	Swatow	Mr. C. C. A. Kirke, British Consul	British	Several pickets of Chinese strikers were caught by the Consul in the act of posting anti-Imperialist bills on the fence surrounding the British Consulate. A fracas ensued and the Chinese rioters beat the Consul with sticks.
June 7	Chengtu	The wife of a missionary	Canadian	On her way to the English hospital at Szuchengtzu, a Chinese ruffian attacked her from behind with a big Chinese sword and cut her head off.
August 6	Harbin	Mr. Hanson, American Consul	American	As the American Consul was about to go out of the Consulate, soldiers under the command of the Tuchun at Kirin came marching along and, besides obstructing his egress, brandished bayonets in his face.
August 13	A suburb of Changsha, Hunan Province	Mr. J. W. Moore	British	Several bandits broke into the house of Mr. Moore, superintendent of the oil-tanks of the Asiatic Petroleum Company, in a suburb of Changsha and car-

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1926

Date	Place where committed	Victim	Nationality	Details
Last days of September	Hunan Province	Mr. Beck, and Misses Weil and Koebbe, missionaries	American	ried him off for a ransom of \$50,000. While travelling from Taoyuang-hsien to Chenchou in Hunan Province, these three American missionaries were caught and carried off by bandits. Later, as a result of direct negotiations between the church, to which they belonged, and, the bandits, they were released in exchange for a ransom of \$1,200 <i>per capita</i> on October 15th or thereabouts.

The number of victims of the afore-mentioned outrages, classified according to kind.

Kind	Number	Nationality
Murder	1 person	Canadian
Abduction	1	British
	3	American
Total	4 persons	
Looting	1	American
	(the loss was \$3,600—paid as ransom)	
Violence	1	British
	2	American
Total	3 cases	

1927

Date	Place where committed	Victim	Nationality	Details
March 21	On the sea between Swatow and Hongkong	S.S. Hopsang	British	While the ship was sailing from Swatow to Hongkong, Chinese pirates boarded her and caused her to steer for Bias Bay. They then robbed passengers of their belongings and money amounting to \$7,000. In this incident, a European passenger sustained an injury.
* March 24	Nanking	Consulates, warships, merchantships and residents of various nationalities	British, American, French, Italian and others	On the occasion of the occupation of Nanking by the Nationalist Army, the consulates, warships, merchantships and residents of various countries in and about the city suffered great losses in lives and property from bombardment by the Army as well as from pillage and looting committed by soldiers.
March 30	On the waters between Hongkong and Canton	S.S. Chinshan	British	While the ship was steaming by Whampoo on her way from Hongkong to Canton, she was fired upon with rifles several times from the river bank. Fortunately, there was no casualty among the passengers and crew, but the ship's hull sustained slight damage.
August 30	On the sea between Swatow and	S.S. Yatung	British	Shortly after the ship left Swatow, a gang of pirates, who had

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1927

Date	Place where committed	Victim	Nationality	Details
	Shanghai			embarked upon her in the guise of innocent passengers, rose up, placed her under their control and caused her to be taken to Bias Bay. They then looted a large sum of money and many valuable articles and landed and escaped, after setting the ship at large.
September 1	On the waters between Hongkong and Wuchou	S.S. Kochou (?)	British	While steaming through the upper reaches of the Hsikiang in Kwangtung Province on her way from Hongkong to Wuchou, the ship was overtaken by Chinese pirates. The chief engineer, an Englishman, was murdered.
October 31	Vicinity of Kiukiang	S.S. Lungo	British	At a point two miles up from Kiukiang, more than 50 rounds of ammunition from rifles were fired at the ship by Chinese soldiers on the opposite shore.

The number of victims of the afore-mentioned outrages, classified according to kind.

Kind	Number	Nationality
Murder	1 person	British
Injury	1 „	Unknown
Attack on ship	5 cases	British

* Victims of the Nanking Affair are not included here.

1928

Date	Place where committed	Victim	Nationality	Details
April 16	Chining, Shantung Province	Dr. Seymour, director of the hospital attached to the American Presbyterian Church	American	During the fierce fighting between the Southern and Northern Armies in the Shantung Province, Dr. Seymour was shot to death by Chinese soldiers.
April 29	Taian, Shantung Province	The wife of a missionary	American	She was beaten to death by soldiers of the Southern Army.
July 15	Kuling, Hupei Province	Two daughters of a missionary	American	While the two little girls (aged ten and eight respectively) were passing the summer with their father, an American missionary, at Kuling, they were kidnapped by a Chinese policeman.

The number of victims of the afore-mentioned outrages, classified according to kind.

Kind	Number	Nationality
Murder	2 persons	American
Abduction	2 "	"

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 By *James H. [unclear]* JARS, 12-18-72

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1929

Date	Place where committed	Victim	Nationality	Details
Towards the beginning of April	40 miles from Tungjen in the vicinity of Chiangkou, Kueichou Province	Rev. Joseph Winkelmann, a missionary	German	Rev. Mr. Winkelmann was murdered by bandits, after being robbed of \$40.
Towards the beginning of April	Kueiyang, Kueichou Province	Rev. Herbert Kenneth Smith, a missionary	American(?)	The missionary was murdered by bandits.
April 24	Chenhsi, Hunan Province	Rev. Clement Siebold, Rev. Godfrey Holbein, and Rev. Walter Coveyon, missionaries	American	These missionaries were caught by deserters from the forces under the command of Chou Chao-wu, Commissioner for the Suppression of Bandits in Shianghsi (i. e. Western Hunan), and were required to pay \$10,000 each, but, as they did not have the money with them, they were murdered.
Towards the end of April	The mouth of the Yellow River	Miss Monsen, a missionary	Norwegian	Miss Monsen was carried off by bandits to Lichin up the Yellow River.
May 5	Lungtang-szuhsiang, Shasi	A sailor (name unknown)	British	The sailor was stabbed to death. The cause and the murderer are unknown.
August 25	Vicinity of Ichang	Rev. Teboos Crokry (?), a missionary	Unknown	The missionary was murdered, but the murderer is unknown.
Towards the end of August	Vicinity of Hao kang on the lower reaches of the Sungari	Mr. Burton (?) and Mr. Caffory (?)	British	Messrs. Burton (?) and Caffory (?) were carried off by bandits.
September 9	A point some 150 miles up the Yangtze from Ichang	Monseigneur Trudon Jans and Mr. Brunon vanWert and Mr. Ruppertus Dynaert.	Belgian	The Belgians were murdered but the murderer is unknown.

1929

Date	Place where committed	Victim	Nationality	Details
September 9	—	Rev. Ruppertus Dynaert, a missionary	Belgian	After all valuables were looted, his church was destroyed.
September 12	Off Haichow, Kiangsu Province	The captain and first mate of the Norwegian ship "Botonia"	Norwegian	The captain and first mate of the steamer were held in custody by pirates. Subsequently, the captain alone made good his escape.
November 9	Weiyuankow, Hupei Province	A missionary	American	The missionary was carried off by bandits, who held him for three weeks and set him free when a ransom of \$3,000 was paid.
December 8	Vicinity of Bias Bay	S.S. Haiching of the Douglas Steamship Co.	British	Twenty pirates who were among the passengers suddenly set fire to the deck and fought with the crew, as a result of which an English officer and an Indian guard were killed and an English officer and an Indian guard wounded, to say nothing of many casualties among Chinese passengers.
December 12	Tayeh	A missionary	British	The missionary was carried off by Communist bandits when, early in the morning, they broke into Tayeh and attacked a hospital conducted by the Wesleyan Mission.

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1929

The number of victims of the afore-mentioned outrages, classified according to kind.

Kind	Number	Nationality
Murder	2	British
	4	American
	1	German
	2	Belgian
	1	Indian
	1	Unknown
Total	11 persons	
Injury	1	British
	1	Indian
Total	2 persons	
Abduction... ..	3	British
	3	Norwegian
	1	American
Total	7 persons	
Looting and destruction... ..	1 case	Belgian

1930

Date	Place where committed	Victim	Nationality	Details
January	Yingte, Kwangtung Province	Bishop Vercilia(?) and Father Carvallio(?)	Italian	While going from Shaokwan to Lien-hsien, Bishop Vercilia (?) and Father Carvallio (?) were caught and carried off by bandits who subsequently murdered the two.
March 3	Chishuei, Kianghsi Province	Three lady missionaries	Finnish	While on their way from Chian to Nanchou by boat, these missionaries were carried off by bandits. One of them died of hunger, while the other two were shot dead.
March 20 or thereabouts	A point some ten miles south of Ningming, Kwanghsi Province	Captains Auclere and Baronna, French flying officers	French	While reconnoitring the whereabouts of bandits from the air in Annam, the aeroplane went wrong and crashed across the border, killing Captain Baronna. Captain Auclere who survived was carried off by Chinese bandits.
March 23	Yuanchou, Kianghsi Province (near the Kianghsi-Hunan boundary)	Mr. and Mrs. Porteous and Miss N. E. Gemmell	British American	Mr. and Mrs. Porteous and Miss Gemmell were carried off by Communist bandits when they occupied Yuanchou.
April 24	Hsientaochen, Hupei Province	Father P. Laffan and Father J. Lincham, Jesuit priests	Irish	Communist bandits broke into the town and carried these priests off for ransom.

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1930

Date	Place where committed	Victim	Nationality	Details
April	Peitaiho	Rev. Mr. Scurll(?), a missionary	British	While travelling in the neighbourhood of Peitaiho, the missionary was overtaken by bandits on the seacoast in the vicinity of the town and murdered.
May 30	Chengtu, Szechuan Province	Professor Stabbs(?) of the Huahsi University (West China Union University)	British	While passing by the University in a rickshaw, Professor Stabbs (?) was attacked by Chinese, who were conducting the "May 30th demonstration," and stabbed to death.
August 11	Chienyang, Fukien Province	Misses Nettleton and Harrison, missionaries.	British	These missionaries were carried off by Communist bandits for a ransom of \$5,000.
October 1	Tientsin	Mr. Shimpson	American	At about eight o'clock in the afternoon, three Chinese ruffians visited him and fired two shots at him from revolvers, inflicting wounds upon him in the lower part of the left side.
October 5	Honan	Rev. Nelson and Tvedt, missionaries	American	The missionaries were carried off by bandits and held for a ransom of \$50,000.
Towards the beginning of November	Kanchou, Kianghsi Province	Some 20 American and French missionaries, including lady missionaries	American and French	These missionaries were held in custody by Communist bandits led by Chu Te and Mao Tse-tung.

1930

The number of victims of the afore-mentioned outrages, classified according to kind.

<i>Kind</i>	<i>Number</i>	<i>Nationality</i>
Murder... ..	2	British
	3	Finnish
	2	Italian
	1	American
Total	8 persons	
Abduction	5	British
	1	French
	23	American
	2	Irish
Total	31 persons	

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1931

Date	Place where committed	Victim	Nationality	Details
March 1	Yuangtungzuchieh, Yunnan	Mesdames Dallas R. White and C. B. Miller, wives of missionaries	American	Mesdames White and Miller were murdered by two Chinese servants and one Chinese who had been in their employ.
April 16	Chingmen-hsien, Hupei Province	Rev. Oscar Anderson, Rev. Augusta Nelson, and Miss Ether Norland	Swedish American	Rev. Mr. Anderson was carried off with two lady missionaries by Communist bandits led by Ho Lung. The lady missionaries were set free on April 20 and returned to safety.
June 1	Vicinity of Cheng-yi Station on the Shanghai-Nanking Railway	Mr. John Hay Thorburn	British	Mr. Thorburn and his two companions were challenged by a Chinese gendarme near the track of the Shanghai-Nanking Railway and, while his companions were set at liberty, he was placed under arrest and taken to the headquarters of a regiment. When he was tortured into insensibility, the commander of the regiment who feared future trouble shot him dead and burned his body.
October 1	A place 30 miles south of Haichow, Kiangsu Province	Rev. J. W. Vinson, a missionary	American	While travelling on an evangelistic mission, Rev. Mr. Vinson was caught and murdered by bandits.
December 24	Chuhu, ten miles down from Mawei	Miss Herber Stazer (?), a missionary	American	The missionary was carried off with a number of Chinese by bandits.

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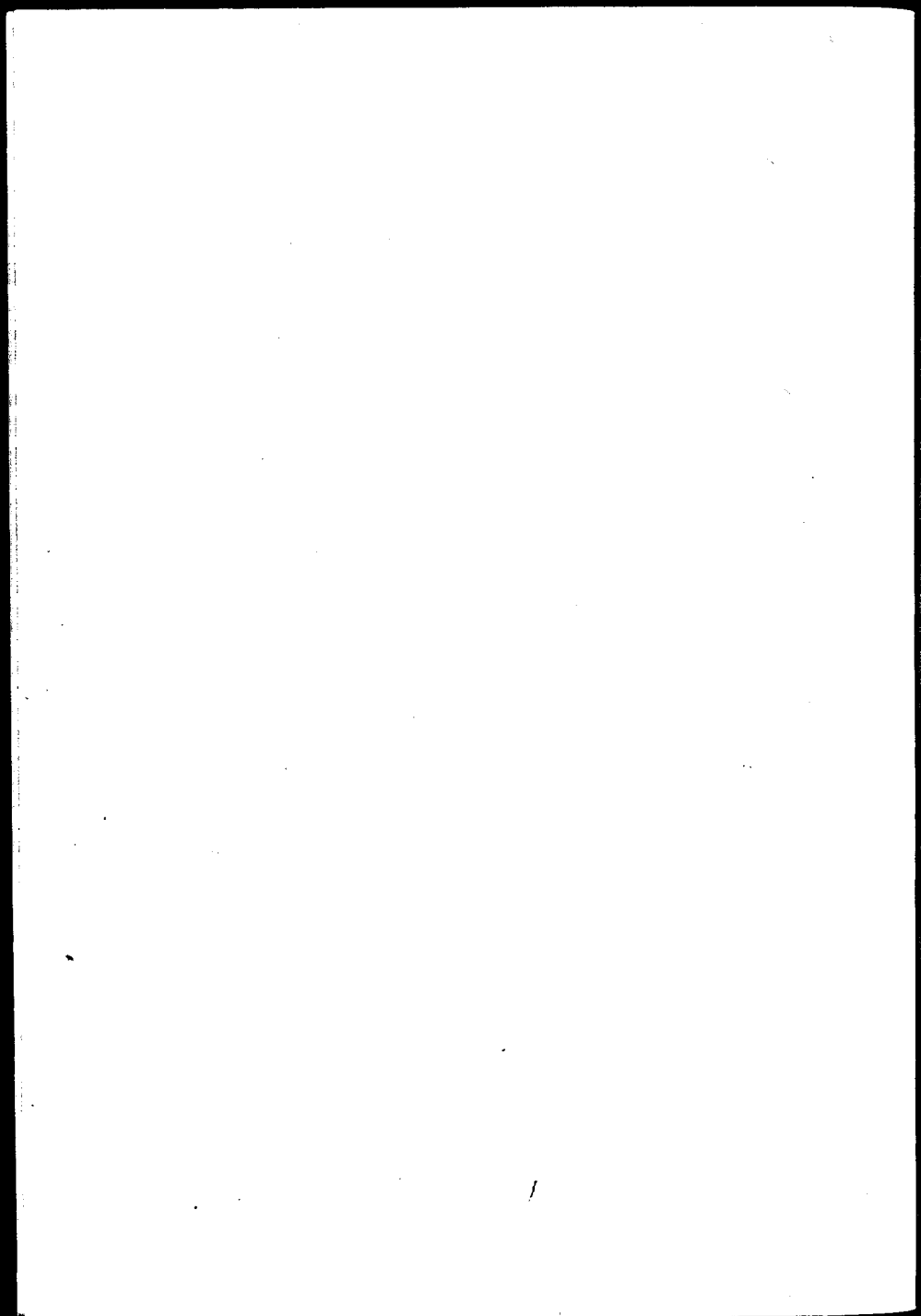
The number of victims of the afore-mentioned outrages, classified according to kind.

<i>Kind</i>	<i>Number</i>	<i>Nationality</i>
Murder... ..	1	British
	3	American
Total	4 persons	
Abduction	1	American
	2	Swedish
Total	3 persons	

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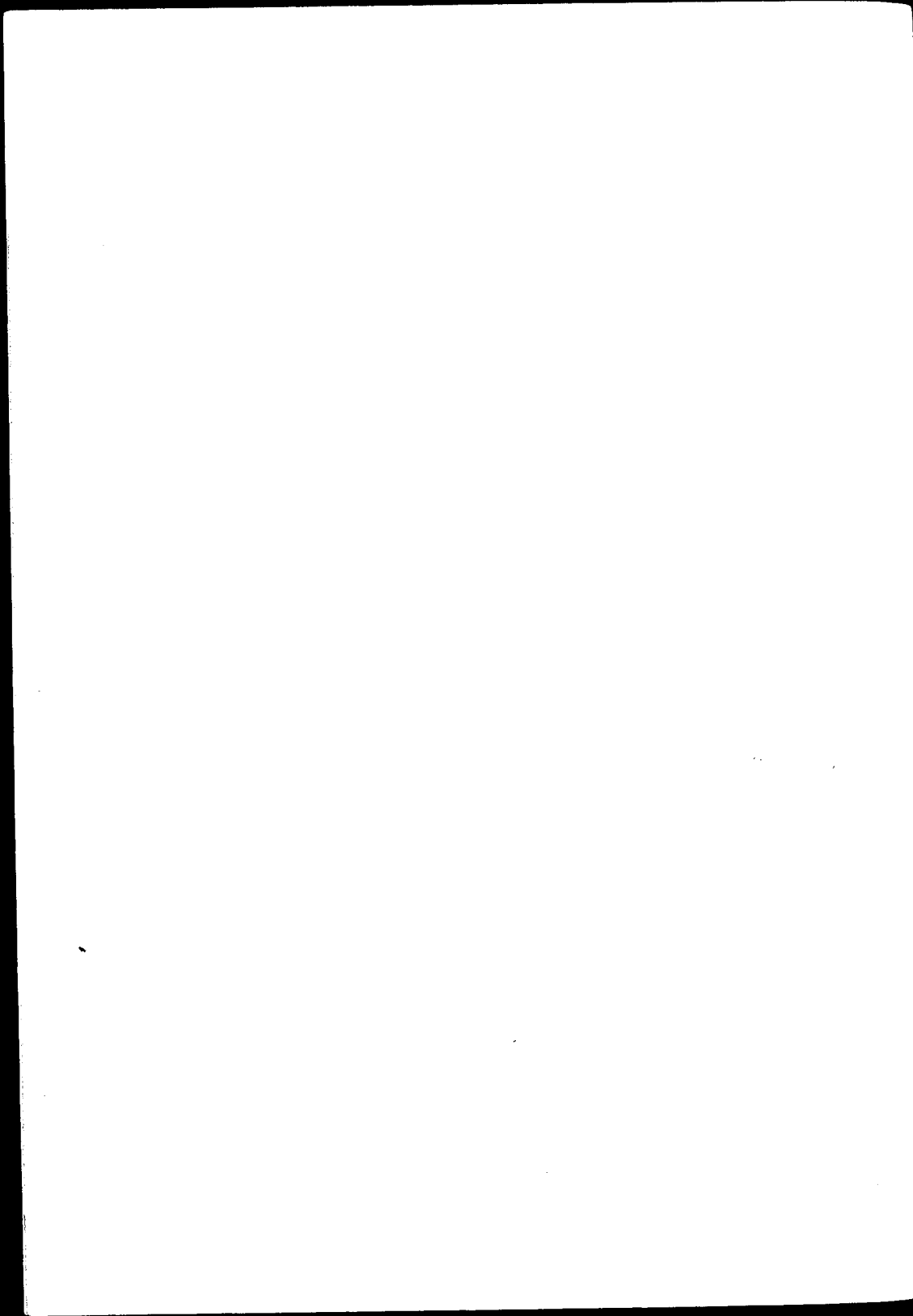


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Communism in China

English translation directly from Japanese
independent of the French version



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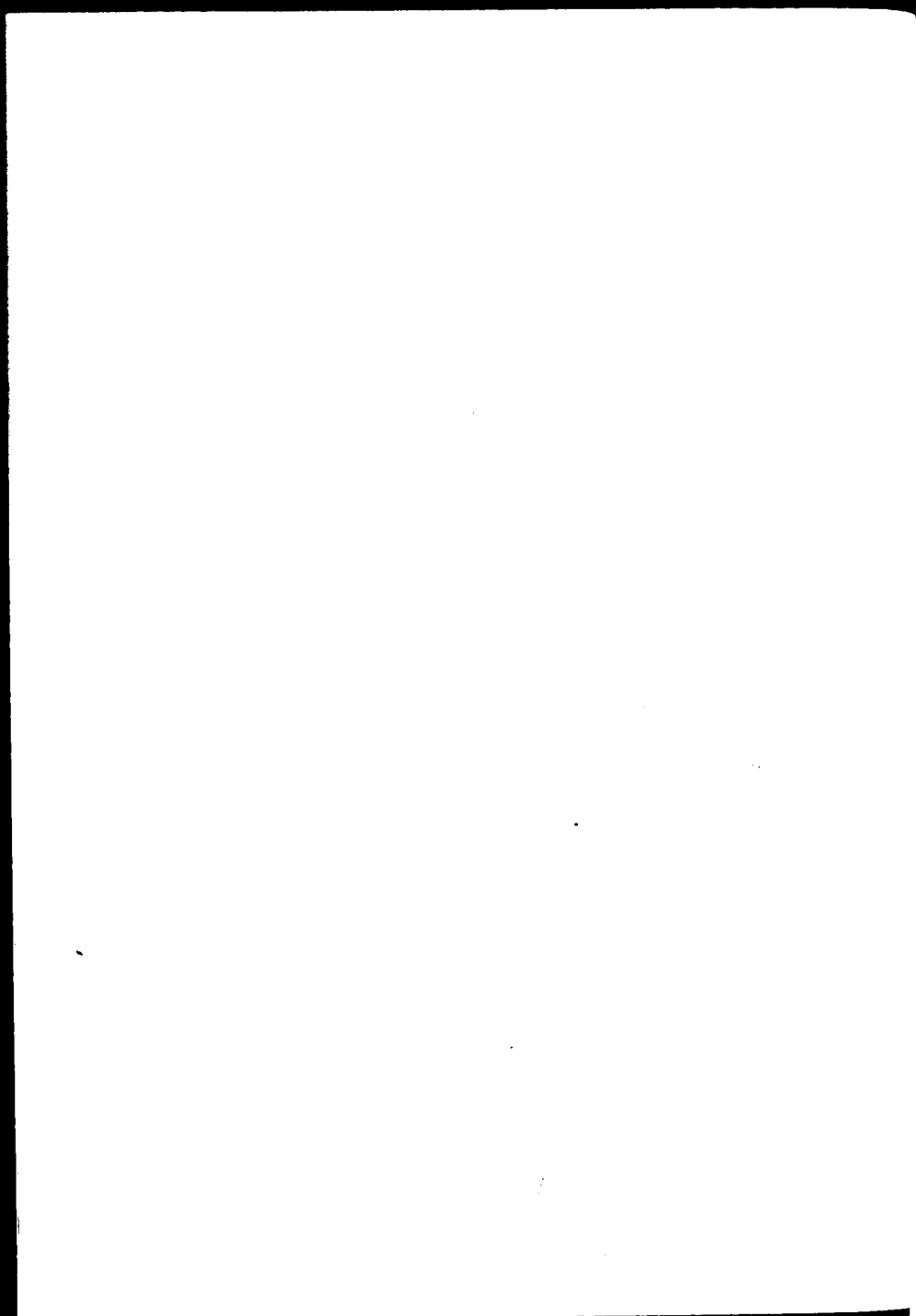
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MAP OF CHINA

ILLUSTRATING COMMUNIST ACTIVITIES



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I. THE CHINESE COMMUNIST PARTY

1. The Chinese Communist Party was first organized at Shanghai in September 1920 by T. C. Chen, F. H. Chou and other radicals under the direction of Voitinsky sent from Russia by the Comintern. China, being still largely medieval in her social and industrial organizations, little affected by either capitalism or labour philosophies, there was no prospect of the Communist Party obtaining any considerable influence immediately through its own efforts alone. The Comintern taking cognizance of the situation, decided it to be a wise policy to unite the Communist Party with a suitable political party of China, and while giving support to the latter, to convert it from within and absorb its members into the Communist ranks. The Kuomintang Party of Sun Yat-sen, then out of power, was picked out under this policy. Beginning with January 1923, Joffe, Borodin and others, one after another, came to Canton, and through their intermediary the affiliation of the Chinese Communist Party and the Kuomintang was effected in January of 1924.

Since then, the Kuomintang assisted by the Comintern from without and supported by the Chinese Communists from within, gained fast in strength. The Revolutionary Army, newly organized, started on its expedition northward in July, 1926.

Sweeping victoriously onward, it took the cities of Wuchang and Hankow in September, occupied Shanghai in March of the following year, thus, bringing almost the entire territory south of the Yangtze River under the domination of the Kuomintang.

2. In the meantime, the Chinese Communist Party, which, under the direction of Borodin and other Russian advisers sent by the Comintern, had been ever busy organizing the workers and the peasants, and converting them to Communism, was with the connivance of the left elements in the Kuomintang actively engaged in a conspiracy to usurp the power of that party. The Kuomintang leaders were not too slow to realize the danger of carrying on with the Communist Party. In March, 1927, as soon as the position of the Kuomintang army in South China became more or less secure, following its

occupation of Shanghai, Chiang Kai-shek, the Commander-in-Chief, took a decisive step by driving Communists out of Shanghai, Canton, Swatow and other localities. His action brought him into open conflict with the Hankow Government, still dominated by Communists, and led to the establishment of the Kuomintang Government at Nanking. In July of the same year, the Hankow Government, following the example of Chiang Kai-shek, expelled their Communist colleagues. Thus, the partnership between the Kuomintang and the Communist Party, continued since January 1924, came to an end.

3. After the break with the Kuomintang, the Chinese Communist Party, in accordance with the order from the Comintern (Note 1), cast aside its erstwhile policy of compromise and opportunism, and entered upon a programme of revolutionary Communism of armed uprisings and terrorism, which was responsible for the outbreak at Nanchang on August 1st, 1927, the Canton Incident of December of the same year, and the veritable reign of terror which lasted during the five intervening months. The disturbance at Nanchang (known as the August 1st Outbreak of Nanchang) was brought about by the Communists, driven out of Hankow, who rallied quickly at Nanchang of Kiangsi Province, and by seducing the soldiers under Generals Ho Lung, Yeh Ting and Chu Te, who formed a part of the army led by General Chang Fa-kue, the most radical among the commanders of the Kuomintang Revolutionary Army, took possession of the city and established a Soviet *régime* with revolutionary committees.

Although this government at Nanchang was broken up on August 6th by the Nanking Government forces, three army bands under Generals Ho, Yeh and Chu, continuing their activities in Kiangsi, Fukien, Kwangtung, Hunan and other provinces, have become the prototypes of the so-called China's "red-armies" of today.

After the failure of the Nanchang outbreak the Communists scattered themselves into various localities in order to instigate the rural populace and to form "Soviet governments". They were able to organize what they themselves termed "the Harvest-time Insurrection of Four Provinces" (Hunan, Hupei, Kiangsi and Kwangtung), and subsequently to storm and occupy Canton and establish there a Soviet government, which, however, was destroyed by the

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Kuomintang army after a brief existence of three days. In this misadventure the Communist Party lost a large number of its members and peasant followers.

The Kuomintang Government which had previously dismissed and expelled Borodin, Galen and other Russian advisers, was now by the Canton Incident above-mentioned fully confirmed in their suspicion as to Russian machinations, and therefore severed diplomatic relations with the Soviet Russian Government and caused the closing of Russian consulates at Shanghai, Canton and other places as well as the withdrawal of their staffs.

4. Thus, the policy of violence adopted by the Communist Party after the break with the Kuomintang proved to be a complete failure. The party, greatly diminished in its strength and membership, has since turned, following a new order from the Comintern (Note 2), to covert propaganda work among workers and peasants, and is quietly biding its time.

When the Sixth Congress of the Comintern was held in July, 1928, in Moscow, the Chinese Communist Party held its Sixth General Conference there under the guidance of the Comintern. At this Conference a thorough reorganization of the party was effected and a course of future action was determined upon, which was to concentrate all efforts upon converting the city workers and upon instilling radical doctrines among peasants and soldiers in order to achieve the revolutionary ends by the concerted action of both the urban and the rural forces. In 1929 when the red armies began to show signs of expansion the party dispatched to these its representatives and political agents for the co-ordination and consolidation of the scattered units. Again, early in 1930, as soon as, owing to a wide breach between the political factions of the North and South, the military defence of the Kuomintang Government in the south and central regions became inadequate, the Communist Party quickly called at Shanghai on May 20th a conference of delegates from all Soviet districts of China, which discussed and decided upon a scheme for expanding "red" areas in China.

Following the above conference and during the summer and autumn of that year the red armies rapidly grew in strength everywhere, especially in Kiangsi, Hunan and Hupei, where they were able to defeat frequently the local governments and occupy principal cities and towns, including Changsha,

the capital of Hunan, and extend their sphere of action to the banks of the Yangtze River.

The Fourth Plenary Session of the Central Committee of the Kuomintang which was called in November, 1930, passed a resolution to the effect that the party, the army and the Government should all unite in fighting the red armies and exterminate them within three to six months. Accordingly, in December Chiang Kai-shek moved his headquarters to Lushan in Kiangsi, whither he called the heads of Hupei, Hunan, and Kiangsi Provinces for consultation on the war plan. Soon armies were mobilized from the three provinces, and the Government expedition was begun. But the red armies, reinforced from various sources, defeated the Government forces at various points; especially in the Soviet area in central Kiangsi, the reds annihilated the 18th Corps under the command of General Chang Huei-tsan, killing the commander and all other staff officers, and at the same time caused the retreat of its ally, the 50th Corps led by General Tan Tao-yuan, by inflicting severe casualties upon it. Nanchang, the capital of the Province, itself was in danger of falling into the hands of the rebels. Thus, the first expedition against the reds ended in a complete failure.

In February of the following year Chiang Kai-shek sent out General Ho Ying-chin with three army corps to fight the reds. The Government forces were reported to be making progress for a time but were forced to make a general retreat in May by a counter attack of the red army. The second expedition was also a failure.

Now Chiang Kai-shek, taking a personal command of a colossal army of 300,000, marched to the Nanchang front and in mid-July commenced a general drive on all the sectors. The reds withdrew into the mountains for a while, but taking the offensive in August, proved themselves to be more than equal to the Government forces. Thus, the third expedition achieving no result, a wide territory covering Hupei, Anhwei, Fukien, Kwangtung and Kwangsi, as well as Kiangsi and Hunan, has since been abandoned to depredations of the red armies.

5. The afore-mentioned General Conference of Delegates from Soviet areas in China, which was convened in May, 1930, had passed two resolutions

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—one to call a National Assembly of Soviet delegates, and the other to establish a Central Soviet Government of China. Various circumstances prevented the realization of the plan until November, 1931, on the 7th of which month (the Anniversary of the Russian Revolution) the National Convention of Soviet delegates of China met at Juichin, Kiangsi Province, and proclaimed the establishment of a Provisional Government of the Soviet Republic of China, similar to the Government of the U. S. S. R., and promulgated labour, land and other laws. (Note 3).

6. Of the organization and strength of the Chinese Communist Party, which has, as described above, entered upon a positive campaign since the spring of 1930, more or less authentic data are as follows:

In 1924, its membership which, when the party joined the Kuomintang, was only about 40, grew gradually and reached 900 at the time of the May 30th Incident, 1925. In May, 1927, when the party was at the zenith of its power, the members numbered 60,000, besides 40,000 of the Young Men's Communist Association. However, the split with the Kuomintang greatly diminished the Communist ranks. The party membership in May, 1930, was said to be only a little over 17,000. (Note 4).

At the election of staff members held in November, 1930, it was reported that Hsiang Chung-fa, Chou En-lai and Li Li-san were elected to the chairmanships respectively of the Central, the Organization and the Propaganda Committee, and to form the governing body together with Chü Chiu-pai (member of the Central Committee) and Chang Kuo-tao (Representative to Russia). Since in 1931 Hsiang and Chou were arrested and shot, while Li Li-san and Chü Chiu-pai were rejected by the Comintern in November of the same year as being too desperate extremists, the actual power of the party at present seems to be in the hands of Chen Shao-yu, Li Ssu-mei, Chen Tse-min, Cheng Hung-yi, Hsiang Ying and a few others.

The party published the "Mass", a daily, besides the periodicals, called "True Stories", "Bolshevik" and "Communist International", and the official bulletins entitled the "Central Communiqué", and the "Central Military Communiqué". (Note 5).

(Note 1) When, following Chiang Kai-shek's suppression of the Communist Party, the anti-Communist sentiment rapidly grew even within the Hankow Government, the Comintern, seized with consternation, hurriedly called a meeting of the executive committee to discuss the Chinese situation. It was concluded that the predicament of the Chinese Communist Party was brought about largely through the opportunistic attitude of its executive members such as Chen Tu-hsiou and Tan Ping-shan, and that the Comintern should advise the Chinese faithful to withdraw from the Hankow Government and to organize armed uprisings of soldiers and peasants and effect the confiscation and nationalization of land.

(Note 2) The Comintern at its Ninth Expansion Conference of February, 1928, adopted a new policy for China and passed a resolution to the effect that thenceforth armed demonstrations should be abandoned but all efforts should be concentrated on organizing workers and peasants through subterranean channels.

(Note 3) The National Assembly of Soviet delegates was first planned to take place on November 7th, 1930. But owing to the lack of preparations, it was postponed until December 11th, the anniversary of the Canton Uprising. The rigid police surveillance and the obstacles in communication made it impossible to convene the conference on that date. It was further postponed to February 7th, 1931, (February 7th Anniversary), and once more abandoned because of the internal dissensions arising out of the expulsion of Li Li-san and others. The Conference was finally called on November 7th, 1931.

(Note 4) According to a Russian announcement in June, 1929, the members of the Chinese Communist Party numbered as many as 133,655. These figures seem to include all the red army soldiers and the party supporters in the so-called "Soviet areas", thence to exaggerate the regular membership of the Communist Party.

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(Note 5) The "Mass" is a successor to the "Red Flag". (The name was changed on March 10th, 1931). The "Communist International" is a Chinese edition of Comintern's official organ known by the same title.

II. THE RED ARMIES

1. From the moment the amalgamation of the Chinese Communist Party with the Kuomintang was brought to pass in January, 1924, the Comintern was undoubtedly aware of the impermanency of such a union in view of the fundamental differences in aims and policies of the two parties. The union was intended to give the Communist Party a chance to gain in power and prestige before it should shake off the Kuomintang at an opportune moment and effect a Communist revolution at one stroke. The Comintern anticipated, therefore, the need of creating a Communist army to be opposed, when the time came, to the Kuomintang army, and to support the Communist movement. However, subsequent to the amalgamation, the Russian agents sent by the Comintern as well as the Chinese leaders of the Communist Party were all too busily engaged in the propaganda work among workers and peasants or in establishing their positions within the Kuomintang. Before they had turned to organize a Communist army, the northern expedition made an unexpectedly swift progress, and Chiang Kai-shek, having taken Shanghai in March, 1927, suddenly started on his campaign against Communists, and even within the Hankow Government anti-Communists began to lift their heads. Faced with an imminent crisis for the party, the Comintern sent a secret order to Roy, an agent in China, to form an army of 70,000 by arming 20,000 Communists and 50,000 peasants in Hunan and Hupei. The order leaked out among the executive members of the Hankow Government, which at once stiffened its attitude, and in July renounced the partnership with the Communists. The latter, possessing no army to defend them, were helpless. They were expelled, and their labours of three and half years came practically to nil.

2. The executive members of the Communist Party, driven out of Hankow, met at Nanchang, and obtaining the aid of the troops under Ho Lung, Yeh Ting and Chu Te who had been their secret allies, took possession of the city and formed a revolutionary committee on August 1st (August

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1st Uprising of Nanchang). However, on the 6th of the month, hearing of the approach of the Government forces, these troops fled by way of Southern Kiangsi and North-western Fukien into the Province of Kwangtung, where they took the cities of Chaochou and Swatow and advanced towards Canton only to suffer a disastrous defeat at the hand of the Kuomintang army. Some of the troops under Ho Lung and Yeh Ting took refuge in the districts of Haifeng and Lufeng and formed there a Soviet government. Chu Te who withdrew into the north-western districts of Fukien, and after resting a while there, reappeared in April, 1928, at Chingkanshan in Kiangsi Province, established his stronghold in the mountains and founded another Soviet government, and by merging his troops with the peasant army under Mao Tse-tung, organized the so-called Chu-Mao Army, which is known as the 4th Red Army at present (Note 1). Among many red armies, there are some which are simple brigand bands parading as such by flying red flags, while there are those such as the Chu-Mao Army mentioned above, or the 1st, the 2nd, the 3rd, the 5th, the 7th, the 8th, the 11th and the 12th, or the 1st Independent Army, which may be considered as deserving the title (Note 2), each possessing sixty or seventy thousand men and forty or fifty thousand rifles (Note 3).

3. As for organization, a regular red army is divided into two departments, the military and the political. In the military department there is, besides a commander-in-chief (with his chief-of-staff and army organs), a representative of the Chinese Communist Party attached to it. The political department has a political committee under which there are propaganda, organization, training and other sections. It is the business of the political department to give, on the one hand, political instruction and Communist training to the soldiers, and on the other hand, to take charge of propaganda and administrative work in the occupied territories (Note 4). The political and the military departments are equal in position and power, the supreme command of a red army lying, it is said, with the Central Executive Committee of the Chinese Communist Party (Note 5). The above is a brief description of the central organs of a red army. Each army, corps, brigade, etc. has its own committee of officers and men, which takes part in the control and administration of

military affairs, in the maintenance of discipline, and in auditing the accounts (Note 6).

Except in several districts such as Tungku (Kiangsi), Lungyen (Fukien), and Haifeng and Lufeng (Kwangtung), known as fairly well-established "Soviet areas", the red armies have no definite territories marked out as their own. They maintain their headquarters in a remote mountain fastness, and make sporadic raids on vulnerable points in the Government's defence line. They act suddenly and swiftly, and do not occupy a place more than a few days. It is because not only the strength of a red army is usually inferior to that of the Government army, but it is difficult to replenish military supplies, and the reds are anxious to avoid any collision with the Government regulars, which is likely to diminish their numbers. Moreover, the accomplishment of the principal aims of their raid such as the requisition of arms and war funds, and the enlistment of recruits, does not necessitate any prolonged occupation.

As soon as a locality is taken, a red army sends out its propaganda agents to broadcast among the populace verbally or by posters the favorite Communist slogans, "Destroy militarists and the Kuomintang", "Fight imperialism", "Punish land-owners and country gentry" and many others, and, at the same time, it raids and loots public buildings, banks and foreign establishments, and murders or drives out officials of higher classes as well as the wealthy people (Note 7). The army makes it a point, however, not to touch any of the middle and poor classes. Over against this destructive work, there is also a constructive side, to the proceedings of a red army. Namely, it calls a mass meeting of workers, peasants and soldiers, forms a Soviet government, proclaims a general lowering of the prices of food; conducts a sale of rice at reduced rate; destroys the loan bonds and land certificates; carries out the confiscation and distribution of lands; and revises the exchange rate between copper money and silver currencies so as to raise the value of the former. While putting in force all these positive measures in the interest of the proletariat the army promulgates land and labour laws, and sets out to organize the working people by founding trade unions and associations. Nor does the army fail to seize the opportunity of levying funds and munitions from the local chamber of commerce, and collecting recruits to replenish its

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ranks. Because of the brevity of the occupation period such legislations and organizations as mentioned above mostly turn out to be empty gestures, but many other measures are often carried out with thoroughness to a certain extent.

4. What is a red army in its essential character? It is an important question, and a difficult one to answer. Views are divided among (a) those who regard a red army as a band of brigands pure and simple, (b) those who regard it as a simply militarist faction, (c) and those who consider it a genuine Communist army composed of Communists and endeavouring to practise Communism. None of these views seem to be exactly right.

(a) Although it is a fact that there are not a few self-styled "red armies", flying red flags, which are really bandit hordes pure and simple, there exist regular red armies like the Chu-Mao Army—to cite an example, —which are fairly well trained and organized, and which are setting up Communistic institutions of one kind or another. Their conduct in seizing Changsha, Chingtecheng and other cities, and their manner of administration in the occupied territories bear certain characteristics which place them outside the category of ordinary bandits. It is true that they destroy public buildings, banks and foreign establishments, and they rob, murder or drive out officials and wealthy people; but in view of the fact that they leave practically untouched the populace of the poorer classes, the outrages may be regarded as being committed by the Communists as means of carrying out their professed policy of opposition to the Kuomintang and the militarists, to imperialism and capitalism, and not as wanton acts of brigandage.

(b) As to the second view which classes the red armies with common militarist groups, it should be remembered that their origin goes back to the time of the break between the Kuomintang and the Communist Party, when, as already related, the most radically inclined armies under generals Ho, Yeh, and Chu, were persuaded by Communists to occupy Nanchang and set up a revolutionary government, and thus from the very beginning the red armies developed under a profound Communistic influence, and the methods they have subsequently adopted in dealing with various social problems vary widely from those of the common run of militarist. Even in those cases, in which an ordinary militarist group, rebelling against the Government, joined a

red army, its rebellion was usually prompted by a change in the political conviction of its chief, who is willing to submit to a certain degree of control by the Communist Party representative and the members of the political committee in the new army, and to practise more or less the creeds of Communism.

(c) Nor the third view which considers the red armies as pure Communist armies is entirely correct. While a red army in its historical background as well as in its actual manner of existence possesses abundantly Communistic characteristics, it is not an army either organized by the Communists Party, or composed solely of Communist members. Hence it is wrong to regard a red army as a Communist institution.

(d) As a matter of fact, it may be definitely stated that the Communist Party, planning to make use of the power possessed by red armies, is attempting to direct and control them by sending to them its representatives and political agents, and moreover, is trying to turn the frequent raids of the armies to occasions for propaganda and practice of Communism. In these efforts the party has been generally successful because the staff of a red army contains a large number of men who believe in, or sympathize with, Communism, and an overwhelming majority of its soldiers, coming from the peasant and working classes, are naturally disposed to welcome a Communistic programme (Note 8).

(Note 1) Chu Te, a native of the Yunnan Province, joined Sun Yat-sen in 1912 with the Provincial army. Later he studied in Germany where he became a radical. After his return to Canton, he was initiated into the Chinese Communist Party; and was appointed as vice-commander of the 9th Army in the northern expedition of Chiang Kai-shek. Mao Tse-tung, born in Hunan, studied with Li Li-san in France; joined the Communist Party in Shanghai; and was elected a candidate to the Central Executive Committee of the Kuomintang, following the Kuomintang-Communist Party amalgamation. After the party split, he returned to his native province, and played a leading rôle in the Harvest-time Insurrection. The 4th Red Army is known as Chu-Mao Army because Chu is its commander, and Mao its political director.

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(Note 2) The staff and the territories of the various red armies are as follows:

("School graduate" indicates that the institution from which the person was graduated is unknown)

Army	Commander	Political Director	Territories
1st Army	Hsu Chi-shen (Whampoo Military College)	Tsao Ta-ching (Wuchang Normal School)	Border regions of Hupei, Hunan and Anhui
2nd Army	Ho Lung (Former commander of the 20th Army of the Kuomintang Revolutionary Army)	Chen Shih-ping (School graduate)	Western borders of Hunan and Hupei
3rd Army	Lo Ping-hui	Tseng Ju-po	Western and Southern parts of Kiangsi
4th Army	Chu Te (Studied in Germany)	Mao Tse-tung (Studied in France)	Border regions of Kiangsi, Fukien and Kwangtung
5th Army	Peng Te-huai (Whampoo Military College)	Teng Ta-yuan	Border regions of Hunan, Hupei and Kiangsi
6th Army	Kuang Chi-hsun (Former commander of the Ssichuan Army)	Chou I-chun (Whampoo Military College)	To the west of Hankow till the border region of Hunan
7th Army	Chang Yun-i (Paoting Military College)	Teng Hsi-hsien	Districts along Yu-kiang and Tsokiang, Kwangsi
8th Army	Huang Kung-lueh (School graduate)	Teng Kan-yuan	Border regions of Kiangsi, Hupei and Hunan
11th Army	Li Ming-kuang (Whampoo Military College)	Ku Ta-tsun	Eastern Kwangtung

Army	Commander	Political Director	Territories
12th Army	Teng I (Whampoo Military College)	Teng Tsu-hui (School graduate)	Western Fukien
1st Independent Army	Fang Chih-min (Shanghai College)	Li Shang-ta (School graduate)	North-eastern Kiangsi

Since 1930, various red armies, having frequently encountered the punitive forces of the Central Government, have realized the benefit of establishing close contact among themselves. In 1931 in order to achieve unity in military action, the 4th Red Army was amalgamated with the 3rd Army in the 1st United Army (Chu Te of the 4th Army as commander-in-chief), while the 2nd Army, absorbing other units, formed the 2nd United Army (Ho Lung of the 2nd Army as commander-in-chief), and the 5th and the 8th Armies were combined into the 3rd United Army (Peng Te-huai of the 5th Army as commander-in-chief).

(Note 3) According to a report made public by the Chinese Communist Party the total strength of the various red armies comprised in April, 1930, 78,860 men, 50,000 rifles, and 4,730 pistols, as shown in the following statistics :

Army	Strength	Rifles	Pistols	Arms			
				Machine guns	Trench mortars	Guns	Aero-planes
1st Army	5,300	2,900	80	32	4	2	1
2nd "	5,800	4,000	—	—	—	—	—
3rd "	5,390	3,600	600	53	12	2	—
4th "	20,000	9,000	800	156	16	16	—
5th "	6,860	5,000	550	55	—	4	—
6th "	5,890	4,500	600	75	25	11	—
7th "	7,890	6,520	800	103	28	25	4
8th "	4,870	3,000	500	39	8	2	—
11th "	5,000	3,500	80	34	—	2	—
12th "	8,860	6,000	720	36	4	—	—
1st Independent Army	3,000	2,000	—	—	—	—	—
Total	78,860	50,020	4,730	583	97	64	5

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On the other hand, Mif, a prominent Russian authority on Chinese questions, addressing the 16th Congress of the U. S. S. R. Communist Party in June, 1930, stated that the number of Chinese red armies in early April of that year were 13, composed altogether of 62,730 men, of whom 38,982 were armed, and that in the latter part of the same month the total swelled to 75,000 men, of whom 52,000 were armed. (Pravda, July 9, 1930). As these figures seem somewhat exaggerated for the purposes of propaganda, it is nearer to the truth to estimate the strength of Chinese red armies in the spring of 1930 at sixty or seventy thousand men and forty or fifty thousand rifles. And these estimates, but for slight modifications, may still be considered valid at the present time.

(Note 4) The Political Bureau of the Party takes charge of the administration of an occupied territory only until the formation of a Soviet government. As soon as the latter is formed, the administration is transferred to it.

(Note 5) It is said that the Central Executive Committee of the Chinese Communist Party was to relinquish its authority over various red armies upon the establishment of a supreme Soviet political organ. Hence, with the formation of the Provisional Government of Chinese Soviet Republic in November, 1931, all the red armies should have passed under the control of that government.

(Note 6) The organization of a red army above described is that of the Chu-Mao Army reputed to be the best organized. Other armies are organized along similar, if not exactly the same, lines.

(Note 7) The report on the punitive expedition submitted by the Kuomintang Government to the People's Convention called at Nanking on May 5, 1931, states that the damages caused by red armies in Kiangsi and Hunan Provinces were as follows:

Kiangsi

Persons killed	186,000
Persons driven out of home	2,100,000
Houses burned	over 100,000
Property losses	650,000,000 Mexican dollars
Loss of unhulled rice	39,000,000 piculs

Hunan

Persons killed	72,000
Houses burned	120,000
Property losses	300,000,000 Mexican dollars

(Note 8) By far the largest proportion (58%) of the soldiers in red armies come from the poor farming population; rebel soldiers from regular government armies come next (28%); and 6% are drawn from the working classes. The following table shows percentages of various component elements of Chinese red armies:

Army	Percentages of component elements			
	Peasants	Rebel soldiers	Workers	Vagabonds, bandits, etc.
1st Army	60	15	3	22
2nd "	40	25	25	10
3rd "	80	10	4	6
4th "	60	30	6	4
5th "	70	20	4.5	5.5
6th "	85	5	3	7
7th "	10	80	2.5	7.5
8th "	30	60	2.5	7.5
11th "	60	20	5	15
12th "	80	15	2	3
Average	57.5	28	5.75	8.75

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III. SOVIET GOVERNMENTS AND SOVIET AREAS

1. As soon as a red army occupies a certain point, the Communist Party at once calls out local workers and peasants, and convenes "Soviet Congress" or "Workers and Peasants Congress", which elects a "Soviet Committee". This committee in its turn forms a Soviet government. The territory under the rule of the Soviet government is designated as a "Soviet area". In outward form, a Soviet government is a popular organ founded by the people themselves. But in point of fact, it comes into existence through the raid of a red army and the conspiracy of the Communist Party, which accounts for the fact that a Soviet area usually coincides with a red army's sphere of action.

Though the Revolutionary Committee formed at Nanchang on August 1st, 1927, is the first political organ of the Communist Party, it does not seem to deserve the title of a "Soviet government" as it was not brought into being in the prescribed manner, mentioned above. The first genuine Soviet government was set up at Haifeng hsien, Kwangtung Province, in November of the same year. Since then, with the growth of red armies and the expansion of their raiding territories, Soviet governments no less than five hundred in number have been formed in South and Central China, namely, in Provinces such as Kiangsi, Fukien, Hupei, Hunan, Kwangtung, Kwangsi, Honan, Ssuchuan, Anhwei, Kiangsu and Chékiang.

Many of the Soviet governments were extremely short-lived, vanishing with the withdrawal of their red armies. However, some of them such as those thriving in Southern Kiangsi, Western Fukien and Eastern Kwangtung have lasted for some time, possessing comparatively firm foundations and more or less effective institutions. It is only territories under these few governments that may really be called "Soviet areas".

2. The organization of a Chinese Soviet government is modelled after that of Soviet Russia, consisting of the Soviet Congress (or the Workers and Peasants Congress), which represents the popular will, and the executive committee

elected by the congress, which is an administrative organ. The Executive Committee elects an executive council under which there are various committees in charge of military affairs, finance, food, land, jurisdiction, reaction, social insurance and other matters.

Each village, each district, and each *hsien* has its own Soviet congress and executive committee. And where there are a number of prefectural Soviet governments it is necessary to form a higher organ of control and co-ordination. So far, only two such organs have been established, namely the All-Kiangsi Soviet Government at Tungku, Kiangsi, and the Minsi (i. e. Western Fukien) Soviet Government at Lungyen, Fukien, while on November 7th, 1931, a super-government for all Soviet areas of China, the Provisional Government of the Chinese Soviet Republic, was set up at Juichin, Kiangsi.

3. A Soviet government, being an offspring of the Communist Party and a red army, is under a complete control of the party, which sends a representative to it as the supreme adviser of the government to supervise its administration. Moreover, the party stations at central points of Soviet areas such as Lungyen in Fukien, Tungku in Kiangsi, important agents called "Central Commissioners".

4. As to the administration of Soviet areas, where the Soviet governments boast only a nominal existence, there is no or little administration as such. The All-Kiangsi Soviet Government and the Minsi Soviet Government, being the most firmly established, and enjoying the reputation of being "model governments" may be cited as examples to illustrate the manner of Chinese Soviet administration (Note 1).

(a) Land :

All lands belonging to people of landed proprietor class have been confiscated and distributed among the landless and petty land-owners (Note 2). In Fukien and Kiangsi, noted for their extraordinary numbers of poor peasants, the Communist distribution of land is said to have been most popular. Forests and mines were partly distributed among the people and partly taken over by the government.

(b) Finance :

The chief sources of the government revenues are (a) land tax, (b) busi-

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ness tax, and incomes from government enterprises (forestry, mining, tea and oil monopolies). To provide general banking facilities, the People's Bank, and the Workers' and Peasants' Bank, were established respectively at Tungku and Lungyen (Note 3).

(c) Education:

The Minsi Government has founded "Military and Political Institute" at Lungyen, and the All-Kiangsi Government, the "Red Army Institute" in Futien near Tungku, for the special purpose of providing military and political training.

As institutions for public education, the Minsi Government possesses the "Lenin Normal School" and the "Lenin Public School", and the All-Kiangsi Government, the "Workers' School" and the "People's School".

(d) Social Policies:

The Minsi Soviet Government has established at Lungyen a public hospital with a free clinic, and set up public dispensaries at various points, where medicines are supplied at small cost. The All-Kiangsi Soviet Government is said to have set up at Tungku one hospital and two sanatoria.

Consumers' Co-operative Societies have also been founded for the benefit of the general public in the purchase of daily supplies.

A red army destroys as a rule loan bonds in its occupied territory. The All-Kiangsi Government has gone a step further by promulgating an Anti-Loan-Bond Law, for a drastic execution of its policy.

(e) Woman question:

The Soviet government, advocating the freedom of marriage, has abolished the traditional institution of "gift money", which requires even a propertyless man to present the mother of his bride with a large sum of money, and thus debars poor young men from all matrimonial prospects. At the same time, proclaiming the equality of sexes, they employ women in their armies as well as in government services (Note 4).

(f) Religion:

Adopting the Marxian motto, "Religion is an opiate", and following suit

of Soviet Russia, the Chinese Soviets are actively engaged in anti-religious campaign and in the destruction of churches, temples and shrines.

(Note 1) The Government army during its expedition in 1931, temporarily occupied Tungku, and destroyed all Communist establishments set up by the All-Kiangsi Government. The present report ante-dates that event, as far as the All-Kiangsi Soviet Government is concerned. No reliable information is obtainable with regard to the progress of the Provisional Government of the Chinese Soviet Republic set up at Juichin, Kiangsi, in November, 1931.

(Note 2) In the distribution of land, two principles have been devised (a) one of distributing to those who can work on the basis of their working abilities, and (b) the other of distribution regardless of working ability but on the numerical basis of the people. However, in view of the prevailing land hunger among the populace the principle of numerical basis seems to have been generally adopted. It is said that the fertility, the transportation facilities, and the distances to the "white" borders, are also taken into consideration.

The lands, confiscated but excluded from general distribution, are turned into government property or communal lands. The Minsi Government is reported to be applying the revenues from the government lands to public expenditures such as construction works and the relief of the unemployed, while the system of collective farming is said to have been tried at Liuyang and Pingkiang, Hunan Province.

(Note 3) The People's Bank of Tungku issues paper notes of its own, besides, printing, if rumours are true, counterfeit notes of large Shanghai banks, which the Communist members have been ordered to exchange for silver currencies. The Lungyen Workers' and Peasants' Bank, the most recent institution of its kind, has issued notes to the amount of 20,000,000 dollars, but confiscates all silver money.

(Note 4) According to the custom of gift money even a man without property had to give two or three hundred dollars to the mother of his

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prospective bride. The poor were unblessed not only materially but also from the matrimonial view point. The free land and free marriage platform of the Communist party, therefore, has a far more powerful appeal to the proletariat of China than in other countries.

IV. EFFECTS OF RED ARMY ACTIVITIES AND SOVIET ADMINISTRATION

1. The effects brought upon all over South and Central China by the domination of red armies and the administration of Soviet governments may be summed up as follows:

(1) On the economic side: the decline of agriculture and the decrease of agricultural products may be noted first of all. The causes are (a) the abrupt change in land laws; (b) the expulsion of rich farmers and the sequestration of their property; (c) the general unrest among the farming population. Since the beginning of 1930 the increasing activities of red armies have caused a marked decrease in the shipment of cotton from Shashih and the Hanshui districts of Hupei, of hemp of the Wuhsueh districts of the same province, of rice from Kiangsi Province, of rape-seed from the Provinces of Kiangsi and Hupei, and of coal from Hunan.

(2) The wanton attacks by red armies upon the vessels navigating the Yangtze and other rivers have affected considerably the inland shipping industry of China.

(3) The rich farmers and wealthy merchants of various localities, driven out by red armies, are taking refuge in foreign Concessions at Hankow, Shanghai and Hongkong. Should the present situation continue, it may be anticipated that while all the local economic centres in South and Central China would be wiped out, the importance of such cities as named above, especially that of Shanghai would be bound to grow manifold.

2. As to the moral phases:

(1) Although the propaganda of the Communist Party, red armies, and Soviet governments may not effect a wholesale conversion of the people to Communism, the slogans against imperialism, the rich and the landowners that are scattered far and wide do not fail to find their way into the untutored minds of the peasants and workers, and to add no inconsiderable impetus to anti-foreignism and radicalism.

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(2) In a locality, once raided by a red army, the people, having had a taste of Communist rule, are not liable to forget, even after its fall, the apparent benefit it has conferred upon them through land distribution, lowered prices, and people's participation in government, but are likely to retain permanent interest in and attachment to Communism.

(3) Such programmes as the advocacy of the freedom of marriage and equality of sexes, the abolition of "gift money" and the inauguration of a woman suffrage, some time taking extreme and extravagant forms such as the adoption of so-called "communal marriage", tend to degrade womanhood and destroy the family system itself.

V. THE RELATIONS BETWEEN THE COMINTERN AND THE CHINESE COMMUNIST MOVEMENT

In the foregoing chapters it has been clearly indicated that the Communist movement maintains an intimate contact with the Comintern, and the formation of the Chinese Communist Party and its affiliation with the Kuomintang were all engineered by the Comintern.

The Comintern, disappointed at the unexpected inefficacy of her red propaganda in Europe and at the poor progress of the Communist rule within her own borders, which necessitated the adoption of the New Economic Policy and the importation of capital from outside, was persuaded to relax her effort to convert Europe but to look elsewhere for a more fertile field to cultivate. The Comintern sets its eye on Asia and found in China, just swept over by a wave of anti-imperialism and radicalism, a most hopeful opportunity. In 1919, and again in 1920, the Soviet Russian Government declared its intention to cancel all her unequal treaties with China, and to abandon all the rights and interests in China that had been acquired by the Czarist Government. Having thus first won Chinese goodwill and gratitude the Comintern dispatched Voitinsky, the chief of its Far Eastern Bureau, and many other able propagandists to China, put them in charge of the work of forming the Chinese Communist Party, and of organizing various trade unions and peasant associations. Following the affiliation of the Communist Party with the Kuomintang, the Comintern sent Borodin, Galen and a great number of Russians as advisers to the Kuomintang Government and the Kuomintang Army, besides assisting them generously along financial and military lines. The Kuomintang Revolution owes its swift completion almost entirely to Russian aid (Note 1).

Subsequent to the Kuomintang-Communist split, the Nanking Government severed diplomatic relations with Russia, and all Russian advisers and propagandists were obliged to depart with the consular staffs. The Comintern, though crippled in its machinery to carry on its work in China, still keeps its eye on the Chinese Communist movement, and has not failed to give it due

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directions whenever necessary. In Shanghai the Comintern maintains an agency, while there has also been established the secretariat of the "Pacific Workers' Union", both organs being commissioned to foster and guide the Communist and workers movements in China (Note 2). The Chinese Workers' Communist University and the Stalin Eastern Workers' Communist University at Moscow are training large numbers of Chinese workers and Communists at government expenses (Note 3). Besides, the Comintern is maintaining contact in one way or another with various red armies and Soviet governments in China (Note 4).

(Note 1) The list of the principal Russian advisers, attached to the Kuomintang Government in January, 1927, was as follows:

Senior Adviser to Kuomintang Government.....	Borodin
Adviser to the 1st Army	Galen
" 4th "	Niroff
" 4th "	Titmainov
" 5th "	Iliin
" 7th "	Makoiev
" 11th "	Titany
" 11th "	Hatspy
" General Staff	Obotsnokhtali
" "	Kvainotsev
" Central Office of the Kuomintang (Army Bureau)	Kashtenny
" Supervisor, Central Bank	Mamaev
" Aeeronautic Bureau	Limi
" "	Serkhanrak
" Navy Department	Caleck
" "	Uraikimairov
Technical adviser to Kwang-San Railway Bureau	Orsoi

(Note 2) Among the agents of the Comintern sent to Shanghai the following may be noted: Voitinsky, Yanson, Jhonson and James.

The Secretariat of the Pacific Workers' Union was set up in accordance

with a resolution that was passed by the First Pacific Workers' Congress, called at Hankow in May, 1927. The Secretariat, first located at Hankow, was removed to Shanghai after the break between the Communist Party and the Kuomintang. An American Communist occupied for a long time the post of secretary-general and the staff members consisted of representatives from China, Japan, Russia, England, Australia, the Philippines, etc. He returned to America in 1930 and was arrested.

(Note 3) The Chinese Workers' Communist University was founded in January, 1925, for the purpose of training leaders of the Chinese Communist movement. Radek, its first president, was succeeded by Mif. Its present head is Wegel. The institution was first named "Sun Yat-sen Chinese Workers' University," and maintained by the "Sun Yat-sen Society" composed of influential Russians. In 1928 on being made a national institution under the direct management of the Central Executive Committee of the U. S. S. R. it took the present name. The annual appropriation for the university runs to 1,247,600 roubles (1929-30). About 400 Chinese students are enrolled.

The Stalin Eastern Workers' Communist University, named after its honorary president, aims to provide Communist training to Japanese, Chinese, Koreans, Filipinos, Hindoos, and other orientals as well as Russians of Asiatic origin. The Chinese enrollment is about 400.

(Note 4) Many evidences have been collected that clearly establish the fact of Comintern connections with Chinese red armies and Soviet governments. For instance:

(a) In July, 1930, some of the soldiers in the red army that occupied Changsha used Russian money.

(b) Several Russians are employed at the red army arsenal, located in Tungku, Kiangsi.

(c) In 1930 when the 7th Red Army, occupying the Lungchow of Kwangsi Province, was defeated by the allied forces of the Provincial army and French soldiers, the latter captured and shot four Russians, who were ringleaders of the Lungchow reds.

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(d) A few Russians are attached in advisory capacity to the Haifeng and Lufeng Soviet Government, Kwangtung. After a clash between the red army and the Government forces in the vicinity of Lufeng on March 18th, 1930, the reds retired, leaving 15 dead, among whom Russians were discovered. It is reported that during the fighting these Russians were seen directing the red forces.

VI. FACTORS CONTRIBUTING TO THE RISE OF THE CHINESE COMMUNIST MOVEMENT AND ITS FUTURE

1. The Communist movement in China became first organized in 1920 with the formation of the Chinese Communist Party, and has since been carried more or less steadily forward (Note 1). It has achieved an amazing progress in the short space of 10 years. At present the red armies, sixty or seventy thousand strong, with forty or fifty thousand rifles, dominate the most civilized and fertile section of China covering the seven Provinces of Hunan, Hupei, Kiangsi, Anhwei, Fukien, Kwangtung and Kwangsi, and have set up numerous Soviet governments modelled after the Russian Soviet, which are establishing Communistic administrations. The Nanking Government, having failed more than once in its attempt to eliminate the reds, stand by in utter helplessness. Such a situation, unparalleled in other parts of the world, deserves a careful attention and examination.

2. The factors that have contributed to the astonishing growth of the Chinese Communist movement lie in the characteristic political, economic and social conditions of China.

(1) Political factors: (a) The endless strife among militarist factions, plunges the country in perpetual turmoil, devastating the land and destroying industries. (b) The militarists in order to obtain war funds as well as to pile up private fortunes, resort to heavy taxation and ruthless requisition, in whatever territory that falls into their hands. (c) The Central Government being powerless, the local so-called "land-owners and wicked gentry" freely prey upon the helpless people, so that not only the numbers of the "proletariat" are multiplied, but the gap between them and the "bourgeoisie" is widened more and more. The poor and the oppressed, thus thrown upon the starvation line, are naturally attracted by the Communist slogans.

(2) Economic factors: Ever since the opening of China to foreign commerce, not only the cost of living has been increased through the introduction

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of foreign merchandise, but the subsidiary industries of the farming community such as sericulture, cotton-spinning and tea growing, have declined. These economic factors combined with political factors enumerated above such as civil war, over-taxation and squeeze, have completely ruined agricultural communities. According to statistics, in the four years between 1914 and 1918, lands left uncultivated, increased by 490,000,000 *mu* (Note 3) and farming households decreased by 6,000,000. In one year from 1918 to 1919 the percentage of peasant-proprietors was reduced from 53% to 49%, while that of tenant farmers increased from 26% to 32% (Note 4). The middle class farmers become poor peasants, and poor peasants turn proletarians. The industries in China being still too undeveloped to provide work for the vast proletarian mass, the majority of the rural unemployed become either bandits or vagabonds, soldiers or mendicants.

Of the total Chinese population of 400,000,000 approximately 336,000,000 are said to be agricultural. Of these 55% do not own any land; 20% belong to the class of petty farmers, possessing one to 10 *mu* of land; 12% are middle class farmers, possessing from 10 to 30 *mu*; so-called "rich farmers" owning 30 *mu* or more; and still larger landed proprietors make up only 13% (Note 5). When it comes to the question of land, the landless (55%) and the petty farmers (20%), or 252,000,000 Chinese have a common interest to oppose the rich farmers and large landed proprietors who constitute only 13%, while the middle class farmers (12%) may remain neutral. It is easy to see how the land policy of the Communists received the endorsement of an overwhelming majority of the Chinese rural population.

(3) Social factors: The Chinese society remains still largely medieval; (a) the family and clan systems, (b) the political and economic overlordship exercised by gentry and large landed proprietors, (c) the custom of making rent-payments in goods, (d) the institution of "gift money", and (e) the extremely low position of women,—all are relics of the past no longer acceptable to the fast growing proletariat class. It is not strange if the masses respond eagerly to Communist propaganda.

Thus in China, the unique factors, political, economic and social, multiplying the vast numbers of proletariat and aggravating their misery, had already rendered the masses specially susceptible to Communism before the Communist

Party set out on its campaign. The fact that the Party had behind it Russia, which had renounced unequal treaties and certain rights and interests, concluded and acquired in China during the Czarist *régime*, won popular approval and confidence in its movement. But it was during the period of its affiliation with the Kuomintang, from January, 1924, to July, 1927, that the Party, operating as a legitimate organization with governmental sanction, was able to acquire enormous prestige and power.

A characteristic feature of the Chinese Communist movement at the present time is its lack of balance in that it is remarkably strong in South and Central China and very weak in the North and also that the robust peasant movement is not accompanied by a corresponding workmen's movement. The facts seem to prove once more that the Communist movement achieved its growth mostly through partnership with the Kuomintang during the revolution, and that the ills of China have their roots chiefly in rural problems which include questions of land.

(4) The future of the Chinese Communist movement is a matter of serious concern and difficult to deal with. On the surface, the movement may appear like a casual phenomenon begun in 1920 with the formation of the Chinese Communist Party and through Comintern machinations. But as a matter of fact, its origin lies deep in the peculiar social, economic and political conditions of China; and unless these are removed, the movement will not end but in all likelihood will expand. The Nanking Government in its present state of impotency cannot be expected to accomplish the task of clearing China of red armies and Soviet areas. Fortunately the latter are yet geographically separated from Russia. In the event they should establish direct geographic contact along the borders of Siberia, Outer Mongolia, or Turkestan, a situation might arise that no Chinese Government could ever cope with alone. The sovietization of entire China is not an absolute impossibility. And what the combination of a red China with 400,000,000 people and immeasurable natural resources and the Soviet Russia possessing one-sixth of the earth's surface might mean to the world—to say nothing of their neighbour States such as Japan, is a question that should be borne in mind in following the trend of the Communist movement in China.

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(Note 1) The first Communistic organization in China is said to have been formed by Liu Han-kuang and his wife who founded a school, called "Hui-ming Hsuehshe", at Canton in 1909. The "Marx Society", formed in 1918 under the leadership of Li Ta-chao, professor of the Peking University, and the "Chinese Young Men's Socialist Association" organized at Shanghai were closely related to the Communist movement. But their aims were only scholarly and their members, brought together by a common interest and belief, did not enter upon a career of positive and systematic agitation for Communism.

(Note 2) It is a custom of the militarist to levy in a newly occupied territory the same taxes that had been already collected by the local authorities, under the pretext of an advance collection for the following year or years. Consequently in those localities, where militarists come and go and authorities frequently change hands, the people are obliged to pay the same taxes over and over again. In the Province of Ssuehuan where militarist wars are most frequent, it is said, in 1930 all taxes have been paid up by the people as far ahead as the year 1954.

(Note 3) The following figures showing annual increases of uncultivated lands between 1914 and 1918 are quoted from the Year Book published by the Tungwen College, Shanghai:

Year	Area in Mu	Year	Area in Mu
1914.....	358,235,867	1917.....	924,583,899
1915.....	404,369,948	1918.....	848,935,748
1916.....	390,361,021		

(Note 4) The percentages of tenant farmers and proprietor farmers, according to the same Year Book, are as follows:—

Year	Proprietor	Part proprietor, part tenant	Tenant
1918.....	53%	21%	26%
1919.....	49%	19%	32%

(Note 5) The following statistics relating to farms and farmers is taken

from a report published by the Central Peasant Bureau of the Kuomintang in 1926 :

Farmers owning land	45%
Farmers owning no land	55%

Sizes of Proprietary Farms.

Classes of farmers	Size of land owned	Percentage of number in the land-owning classes	Percentage of area in the entire farm land
Petty farmers	1-16	44%	6%
Middle class farmers	10-30	26%	15%
Rich farmers.....	30-50	16%	17%
Small and middle class landed proprietors	50-100	9%	19%
Large landed proprietors ...	over 100	5%	43%

From the above it is seen that the petty farmers constituting 44% of the land-owning classes, make up about 20% of the entire farming population ($\frac{45}{100} \times \frac{44}{100} = \frac{19.8}{100}$); similarly the middle class farmers, 26% of the land-owning classes make up 12% of the entire farming population; ($\frac{45}{100} \times \frac{26}{100} = \frac{11.7}{100}$) and the rich farmers and land proprietors 30% of the land-owning classes, make up 13% of the entire farming population ($\frac{45}{100} \times \frac{30}{100} = \frac{13.5}{100}$).

(Note 6) It is reported that following the recent destruction of Chinese armies of the Four Eastern Provinces (Chang Hsueh-liang's armies) the Chinese Communist Party is planning to organize the disbanded soldiers into red armies. Should the plan materialize, the danger of red armies' contact with Russia would become real.

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VII. THE COMINTERN ACTIVITIES IN MONGOLIA

Since the completion of the Revolution of 1917 the Soviet Russia has extended its influence in the regions of Mongolia and Sinkiang.

Having succeeded already in sovietizing almost completely the entire Outer Mongolia, it is now vigorously conducting its red propaganda in the neighboring territories.

In 1921 the Comintern worked up the revolution of Outer Mongolia by the use of the Red Army, and has since left no stone unturned in its endeavour to give a deep Communistic dye to all phases of the nomadic nation's life, political, economic and cultural.

Outer Mongolia is now practically a Soviet State. The following is a brief description of the Russian procedure.

(1) Russian support and assistance to Mongolian revolution:

It was in August, 1918, that the Soviet Russian Government made public a declaration which was addressed to the Mongolian people and the Autonomous Mongolian Government, and which implied tacit recognition of the independence of Outer Mongolia. Two years later, in the autumn of 1920, when the white Russian army under Ungern entered Mongolia, the Russian Government seized the occasion to dispatch its Red Army into the country under the pretext of pursuing the whites, and to help the Mongolian Nationalist Party, organized in 1921, gain effective control of the Mongolian Government. Simultaneously, the Russian Government set up an autonomous Republic of Buriat Mongols in a Siberian territory around Verkhneudinsk, inhabited largely by Mongols, for the purpose of winning over the Outer-Mongolians, and of making the new republic a foothold for conducting its campaign. In November of the same year a Russian-Mongol treaty of amity being signed in Moscow, Russia extended her official recognition to the Government of Outer Mongolia. The relations between the two States since then have been such as to make it appear as if the latter were a protectorate of the former.

For instance, at the conference convened in 1924 to draft the constitution of the Outer Mongolian Republic, Russians such as Zinovief, Chairman of the Executive Committee of the Comintern, Kalinin, Chairman of the Soviet Central Executive Committee, and Chicherin, then People's Commissary for Foreign Affairs, were nominated to the post of honorary-secretaryship by the conference.

The Soviet Government, by the Peking Agreement with China concluded in May, 1924, recognized Chinese sovereignty over Outer Mongolia, but took care not to touch upon the question of validity of the Russian-Mongol treaty of 1921. In March, 1925, Chicherin, the Commissary of Foreign Affairs, declared before the plenary session of the Central Executive Committee of the U. S. S. R. to the effect that while Outer Mongolia remained Chinese territory, its autonomous rights and powers were such as to make it free from all Chinese interference in domestic matters and even enable it to manage its own diplomatic affairs.

(2) Politics :

In reality the Government of Outer Mongolia is under complete control of Moscow. Its governmental organizations and systems, both central and local, are exactly copied from Russian models, and every bureau or office is practically managed by a Russian adviser or instructor. The President of the Economic Council is a Russian.

The Nationalist Party—the sole political party in Outer Mongolia—was organized with the aid of the Comintern and the Russian Government. Thence, its structure and rules are precisely like those of the Russian Communist Party. Not only the party is bound by its constitution to submit to directions and orders from the Comintern, but the party sends a delegation to the Comintern Congress. The Mongolian Young Men's Revolutionary Association—an auxiliary body to the Nationalist Party—is also an imitation of the Young People's Communist Union (Comsomol). The Association is obliged to co-operate with Comsomol, and follows the direction of the Communist International of Youth (K. I. M.).

(3) Army :

The army of Outer Mongolia was created with the assistance of Russia,

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and all its munitions are supplied by Russia. The army employs Soviet military instructors, and a large number of students are being sent to Moscow to receive Soviet military training.

(4) Economic Domination:

In an attempt to socialize stock-farming, the principal industry of Mongolia, Russia has caused the sequestration of stocks owned by princes, wealthy people, and religious institutions, and their transfer to the collective management after the Soviet manner of Kolkhoz; and placing ban upon private enterprises. She has set up "Co-operative Societies" after the Russian model and made them the principal commercial organs. Moreover, Russia monopolizes the foreign trade of Outer Mongolia, by prohibiting the entry of people of other nationalities, thus by sovietizing the principal industry and by establishing economic domination of Outer Mongolia.

(5) Communication and Transportation:

The U. S. S. R. has concluded an agreement with the Mongolian authorities, by which the "Mongol-Trans"—a Russo-Mongolian company—is given a monopoly of the transportation industry in Mongolia, Russians have the right of inland navigation and also exercise a complete control of the communication system between Mongolia and the outside world.

(6) Education and Culture:

For the sovietization of Mongolian education and culture the Comintern is inducing the people to attack religion, and disregard the dignities of the Lama, and to confiscate temple property and convert temples into schools for the propagation of Communism. Newspapers in both Russian and Mongolian languages and other publications are issued for the dissemination of Communistic principles and ideas.

ACTIVITIES IN THE URIANHAI (TANNU-TUVA) REPUBLIC

In 1918 the Comintern, once attempted to stir up a revolutionary movement among the people of Urianhai. Later, under the pretext of pursuing the white Russians, the Red Army invaded the territory, and finally in 1921 effected the formation of an autonomous government of the Tannu-Tuva Republic. Since then, the republic with its constitution and political

organization copied from Russia, has been carrying out various policies in obedience to the dictates of the Comintern.

ACTIVITIES IN HULUMBUIR (BARGA)

In pursuance of its long-cherished scheme to plant Soviet influence in Hulumbuir, the Russian Government first advised the union of the territory with Outer Mongolia.

In 1928 Russia rendered assistance to the Hulumbuir Young Men's Independence Party in its separatist movements and has since continued to support them.

Evidences have been brought to light that during the Sino-Russian trouble of 1929, Russia supplied arms to Mongolia. Since the outbreak of the Manchurian Incident, Russia, in concert with the Mongolian Government, has strengthened the border patrol in order to hold in check the people of Hulumbuir.

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SUPPLEMENTARY NOTES

I

LATEST COMMUNIST ACTIVITIES IN CHINA PROPER

1. The Communist Party and Red Armies before Their Advance into Fukien.

The Provisional Government of the Chinese Soviet Republic was practically in the hands of Chen Shao-yu and his group of newly returned students from Moscow. Since June, 1931, when Chen was appointed Secretary-General to the Executive Council of the Chinese Communist Party at Shanghai, all the important posts of the party staff has been taken over by the members of this group, and the party, acting on orders from the Comintern, cast aside its old policy of purposeless and destructive action (the so-called "Li Li-san Policy") and entered upon a constructive programme. It was the leaders of this new group who, aided by a Russian adviser sent from Moscow, succeeded in setting up the Central Soviet Government at Juichin in November.

This government has since been endeavouring to cultivate the real strength of the Communist Party by promulgating land and labour laws, inaugurating various sovietic institutions, consolidating red armies, and expanding Soviet areas, and setting hands to other constructive works.

The result is, now in south Hunan with Juichin as centre the power of red armies is unchallenged, and they are gradually encroaching on neighboring territories. In Kiangsi, the 25th Division, commanded by General Sun Lien-chung, which was dispatched by the Nanking Government on punitive expedition, was defeated, and 10,000 soldiers were induced to join the "reds". The 49th Division under General Chang Ting, guarding the southern half of Fukien, and the Kwangtung army on border patrol duty were also being hard pressed by the Communist rebels.

General Chen Chi-tang, commander-in-chief of the Kwangtung armies, complying with the requests from the Central and Fukien Governments, and after consulting General Li Tsung-jen, commander-in-chief of the Kwangsi armies, issued an order on March 1 to the 1st Army (3 divisions and 1 independent

brigade), commanded by General Yu Han-mou and stationed in the North River district, to advance into Shaokwan, while the 3rd Army (3 divisions and 2 independent brigades) under General Li Yang-ching, has also been ordered to concentrate along the western border of Fukien.

2. Conquest of Fukien.

Upon scenting the above movements of the Government forces, the "reds" decided to take Fukien, which was regarded to be the most vulnerable province, and, moreover, best suited for military operation. They brought together the 4th Army under Chu Teh, the most powerful of all red armies, the 5th Army under Peng Te-huai, the 12th Army under Liu Piao, and the 20th Army under Lo Ping-hui besides a unit numbering 10,000 that had once been in the service of the Government army under General Sun Lien-chung, above referred to, and organized them into a single body, the First Army Corps, 20,000 strong, placing it under the command of Liu Piao. This army corps carried out a surprise attack against Chang Ting on April 10 and occupied Lungyen.

The red forces followed up their initial success with a raid on Changchow. They marched southeast-ward, confounding at all points the Government forces under Chang, who was compelled to transfer his headquarters to Changpu on April 19. Thereupon, on the following day, the "reds" took Changchow, and, calling a military council on the same day, proclaimed the establishment of the Min-nan (i. e. South Fukien) Soviet Government to be headed by Mao Tse-tung, as well as the occupation of the whole of southern Fukien.

3. Siege of Amoy.

After the capture of Changchow the red armies continued their forward march on four different fronts. The first unit took Changtai on the 25th, Anchi on the 26th, and advanced towards Chuanchow and Tungan. The second took Chiangtungchiao on the 23rd, and Shihmei and Chiaowei on the 25th both prosperous towns inhabited by many rich people returned from the South Seas. The two units then by making a joint attack, captured Tungan and Chuanchow, and continued southward with the object of attacking Amoy from the rear by way of Chimei. The third unit occupied Shihma on the 21st,

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Haicheng on the 23rd, and picked out Foukung for its next prize, while the fourth occupied Changpu on the 25th and Yunhsiao on the 28th.

The southern half of Fukien having thus fallen into the hands of the victorious Communist armies, local anti-Government forces rose everywhere in rebellion. At Shihma, Foukung, Haicheng and other places, irregulars drove away the Chang soldiers. A self-styled Communist army, really a horde of bandits, fought with Chen Kuo-hui's troops (part of the 49th Division), who were stationed at Tungan, to pave the way for the entry of the red armies.

Chang Ting, who abandoned Changpu and Yunhsiao, has since withdrawn to Shaoan.

The red armies, having completely routed the Government forces under Chang, finally laid siege upon Amoy. The Communists in and outside the city were ordered to prepare plans for insurrection, and the inhabitants, both native and foreign, of the port were confronted with a grave menace. Dislocation of communication, stringency of the money market and scarcity of provisions, all contributed to the aggravation of the situation.

The Chinese authorities proclaimed martial law on the 21st, reinforced the police, called in six war-ships to guard against the attack from sea. Commander of the Marine Force, Lin Kuo-keng, was to command defence service on land, while Admiral Chen Chi-liang, commander of the First Squadron, who had come from Foochow, undertook the defence of the sea, both closely co-operating to maintain rigid surveillance. At the same time, the severest pressure was brought upon all Communist elements in the city. Foreign Powers also having dispatched war-ships, landing forces of the respective navies and consular police joined their efforts for the protection of foreign residents. In these circumstances the Communist armies failed to take Amoy so quickly as might well have been anticipated.

4. Red Administration in Southern Fukien.

However, the southern half of Fukien has been held for a month and half up to the present day by red armies.* Besides the afore-mentioned South

* This note was prepared before the end of May, 1932, when the red armies withdrew Changchow district to the interior of Fukien.

Fukien Soviet Government at Changchow, they have established the West Fukien Soviet Government at Lungyen, and set up under each government, prefectural, district, and village Soviet governments, and promulgated communistic laws and ordinances. Further, they are organizing Communist armies of native Fukienese, putting into practice the system of communal wives, and otherwise endeavouring to make themselves popular among the hitherto oppressed masses of the district.

Every time when a red army occupies a town, the notice to the following effect is posted: "Send in the names and addresses of militarists, avaricious landlords and degenerate gentlemen who dared to oppress the proletariat! We will drive them out for you". The homes of wealthy farmers and merchants, coming under the class of "avaricious and degenerate gentry", are then thrown open, and all the furniture, merchandise, provisions, etc., are distributed to the poor flocking at the door. The victims are arrested, exposed to public jeer, and executed by shooting after their alleged crime have been announced, while their wives and concubines are usually mistreated.

The soldiers of the red army that entered southern Fukien, were at first well-disciplined in that they did not molest the lower class people. But as months went by and more and more bandits were taken into the ranks, they began to show their vicious native qualities. Under the pretext of punishing the rich or those who resisted them, they have resorted freely to pillage, rape and massacre, sometimes even burning entire villages.

5. Invasion into Kwangtung.

In view of the reported precarious situation of Amoy and of the violent activities then going on on the Hainan Island, the provincial authorities of Kwangtung placed Canton under semi-martial law beginning on April 24.

On that very day, Li Ming-jui, at the head of the 21st Division (7,000 men) of the red army, entered the city of Jenhua. The move was to facilitate attack by their fellow red troops upon Amoy, by holding Chen Chi-tang in check, and also to cut the line of communication of Yu Han-mou fighting bandits in Hunan. General Chen countered it by dispatching General Min Pei-nan (commander of the Training School Division) to Shaokwan, and trans-

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ferred the Second Independent Division commanded by General Chen Chang from Nan-hsiung to the Jenhua front. However, the red army, undaunted, gained in strength by taking in local bandits until it numbered 20,000, and advanced by May 4 as far south as Kuotien in the vicinity of Lochang.

6. Activities in Hupei and Anhwei.

The Wu-han district had long been surrounded at a distance by the 2nd Red Army under Ho Lung and by the 6th Red Army under Kuang Chi-hsun. The Government forces could not make much headway in their punitive expedition because of the lack of funds. In fact, the soldiers, incensed with the failure of payment over many months, joined the communist armies in large numbers.

In Anhwei a red army 20,000 strong, which, under Wang Chien-pai, had retired into the western part of the province, has become active of late. They annihilated both the provincial guard of one brigade at Liuan and the 7th Division sent by the National Government as reinforcement, defeated and disarmed the 46th Division belonging to General Chen Tiao-yuan, commander-in-chief of the 1st Route Army, which went to the rescue. They occupied Liuan, and took Chengyangkwan, Shouchow and other towns.

Now they are pushing northeast-ward, pressing hard upon the 55th Division and the Provincial Guard Brigade at Anching, and the 57th Division at Hofei. The entire province is terror-stricken, and Tientsin-Pukow line is reported to be in danger.

7. Actions Taken by the National Government.

The National Government at Loyang appointed on April 19 General Ho Yin-chin, Minister of War, as the commander-in-chief of the expeditionary forces for the suppression of bandits in Kiangsi, Kwangtung and Fukien, and General Chen Chi-tang as vice-commander. General Ho arrived at Kiukiang on May 1 and began to study the lines of action. General Chen, on the other hand, has so far done nothing but to order the concentration of the 3rd Army in Fukien, and shows no sign to fight Li Ming-jui.

In the meantime, the National Government, taking advantage of the conclusion of the Shanghai truce agreement, is now discussing the matter of

transferring the 19th Route Army, stationed along the Shanghai-Nanking Railway, to Amoy and assigning it the task of bandit-suppression.

As for the red armies in the north of the Yangtze, the Loyang Government appointed General Chiang Kai-shek, as the commander-in-chief of the expeditionary forces for the suppression of bandits in Anhwei, Honan and Hupei, and General Li Chi-shen, Chief of Military Training Department, as vice-commander. General Chiang has dispatched to Anhwei the 4th Division of the 1st Army, made available by the Shanghai truce, and the 88th Division to Hankow, and is said to be contemplating further moves.

II

COMMUNIST ACTIVITIES IN MANCHURIA

The Communist movement first entered Manchuria some twenty years ago. It was Karahan who blazed the trail of red propaganda by his memorable declarations of 1919 and of 1920. He was followed by Yurin, Heiks and Joffe, who, while conducting negotiations with Chinese authorities on the resumption of diplomatic relations between the U. S. S. R. and China, sent out their lieutenants in all directions to preach Communism. Even in Manchuria, then under the rule of Chang Tso-lin, an arch enemy of the Soviet, their gospel of anti-imperialism and the emancipation of oppressed races met with favourable reception among certain circles and succeeded in gaining a handful of converts. Only the Chinese fervour at that time for the recovery of rights and interests held by the Soviet in Manchuria prevented the red gospel from acquiring any wide following. On the other hand, the Comintern itself, for fear of incurring the displeasure of Japan, turned to other fronts, Outer Mongolia and Central and South China. Thus, Manchuria was left comparatively free from Communist activities. Again in 1924 and upon the conclusion of the Sino-Soviet Convention and the Agreement between the U. S. S. R. and the Mukden Government, Ivanov, the Chief Director of the Chinese Eastern Railway Company and his Russian staff entered upon an active campaign first among the Russians in service of that railway, and then among Chinese through Chinese Communists who were appointed to take charge of the local offices of the Commercial Department of the Company, established at various points ostensi-

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bly for the purpose of railway business. Again, however, for various reasons they failed to make much headway.

Nevertheless, the Third International is noted for its tenacity of purpose. The diplomatic breach between the U. S. S. R. and China following the Canton Disturbances of 1927 proved a great obstacle to red propaganda in China Proper while the rigorous measures undertaken by Chiang Kai-shek gave the Chinese Communists practically no chance to act for the time being. The Comintern turned its attention once again to Manchuria, the sovietization of which region, with the Chinese Eastern Railway, the only Russian interest left in China, as the first objective of the campaign, now seemed too important to be neglected. Therefore, it directed the Chinese Communist Party to form a Manchuria Committee, ordered Russians at various points in the region to lead propaganda and practical movements in the name of the members of the Far-East Bank or of the commercial staff of the Railway, and also set to mustering and controlling the Korean Communist organizations. It is the usual policy of the Comintern to avoid direct contact but rely upon its local followers for accomplishing its aim. This same policy was pursued in Manchuria too.

Of the two agents of the Comintern, the Manchuria Committee of the Chinese Communist Party and the Korean Communist organizations, the latter cannot be but of direct concern to Japan. Long before Communism was introduced among the Koreans, a considerable number of Korean insurgents and renegades had entered Manchuria, especially the Chientao district, where they engaged themselves in scheming intrigues of all sorts. The news of the success of the Russian Revolution and the secret manoeuvres of the Comintern made of many of these Koreans either Communists or Communist sympathizers, who formed various organizations such as the North Manchuria Federation of Young Workers, or the South Manchuria Young Men's Federation. These bodies, at first independent and unrelated, were brought together in 1928 into a single federation, known as the Federation of Korean Young Men in China. A little before that, the Kaoli Communist Party with its headquarters at Vladivostok, had entered the Manchurian field by setting up in the Province of Kirin the Manchuria General Bureau of the Kaoli Communist Young Men's Association. Besides, the Korean Communist Party, organized in Korea

in 1925, and with its General Bureau in Manchuria and district bureaus for North, South and Eastern Manchuria, established in the following year, had gradually extended its influence, so that by 1928, the year of the formation of the Federation of Korean Young Men in China above, the activities of Korean Communists in Manchuria had become markedly animated.

In Chientao and its vicinity, the principal centre of Korean agitation, the measures of suppression taken on several occasions by Japanese authorities failed in spite of their great efforts to eradicate all the ringleaders, some of whom continued to remain active among local Communist Young Men's Associations and peasants' organizations. It was then that, the Sino-Russian imbroglio over the Chinese Eastern Railway having been temporarily settled through the Havarovsk Agreement of 1929, the Comintern once more spread its tentacles over North Manchuria, and especially among the scattered Korean groups, who were drawn together into a single revolutionary force, and, being joined with the Chinese Communist Party, were made to constitute an organic part of the Comintern itself. Since then, the red activities in Manchuria became a unified movement under the control of the Chinese Communist Party, of which Korean members alone numbered 4,000 at one time. The disturbances of 1930 in Chientao, as well as the labour troubles at Dairen, Fushun, Mukden and Harbin, were all notable for the unity of action on the part of the agitators. In spite of the raids made by the authorities upon its branch office at Fushun and on its Provincial Committee headquarters at Mukden in November, 1930, the activities of the Chinese Communist Party continued to be as rampant as ever. In May, 1931, its Manchuria Committee attempted to call a general strike of Korean and Chinese workers in the big factories and mines of Fushun, Anshan and Dairen, though fortunately the plan was nipped in the bud. Other like schemes, that followed, have so far failed to materialize owing to the vigilance of both Chinese and Japanese authorities. However, in view of the inefficiency of the Chinese authorities to cope with the situation, the fact remains that the long reign of industrial peace of Manchuria is now being replaced by an era of increasing fear and unrest.

It goes without saying that the Manchurian Incident at this juncture provided the Communists with a golden opportunity to fish in troubled waters.

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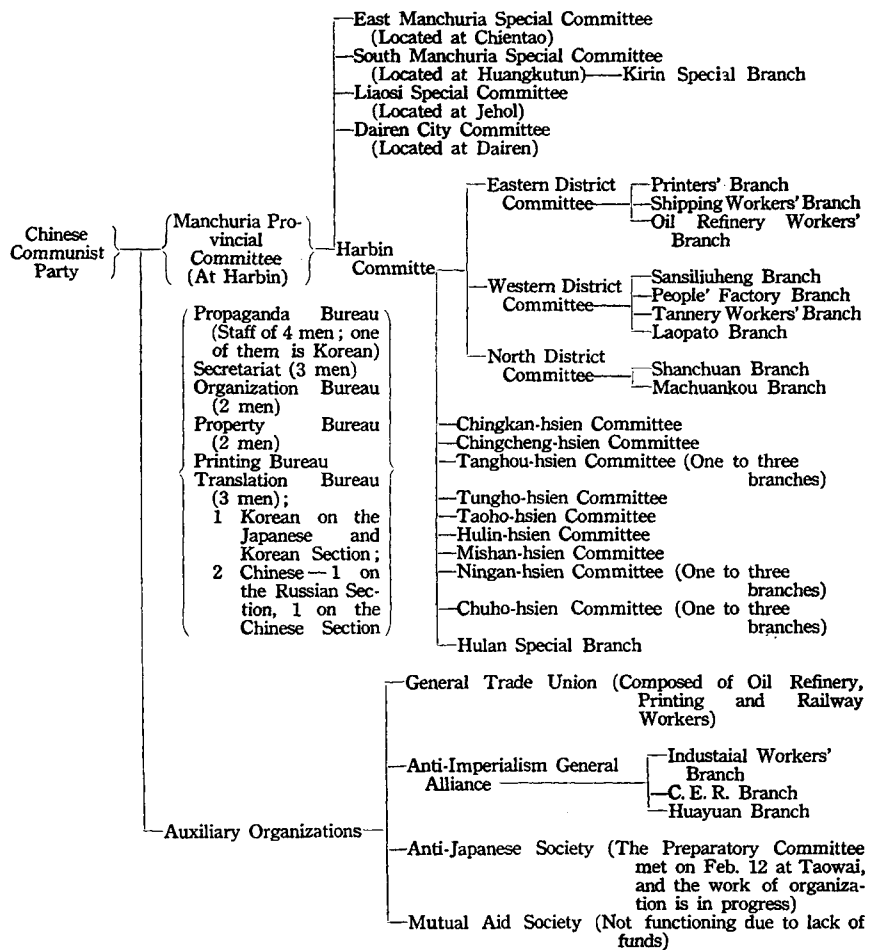
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Ever since 1925 it has been the standing order of the Comintern to the Chinese Communist Party that the latter should make it a point to create disturbances, instigate armed insurrections and general strikes. The present incident has plunged Manchuria into a state of civil war. The founding of Manchukuo has been followed by open hostilities between the forces of the new State and the opposing forces, as well as by the operations of the Japanese troops for the maintenance of peace and order. The Comintern, ever advocating armed revolution, has found a ready tool in the Chinese irregulars opposing the new State. By sending out Chinese Communists to conduct propaganda from both without and within the ranks of these irregulars, it has achieved already considerable results. A plan for establishing a Soviet government at Hulin in Northern Kirin being only recently brought to light, Japanese troops were despatched to frustrate it.

The Chinese Communist Party, having decided to concentrate its campaign on North Manchuria, moved its headquarters of Manchuria Provincial Committee from Mukden to Harbin, and called an "Expansion Congress" in February, 1932, at Machiachuankou on the opposite bank of Harbin, at which the executive committee was reorganized, and punishment was meted out to disloyal members. Resolutions were also adopted calling for the conversion of the troops under Ma Chan-shan, Li Tu and Ting Chao, the anti-Kirin forces in Chientao, and the bandits of the *Tatao-hui* (Big Sword Society) of Kirin and Fengtien, for the propagation of anti-Japanese sentiments, for the establishment of Soviet areas in North Manchuria, and for the arming and training of the party followers. In April an "urgent order" was issued to all the Communists to enlarge the scope of hostilities against Japanese army, to overthrow Manchukuo, to fight the Kuomintang and to establish a Soviet rule, to stage demonstrations in Mukden and war areas, to convene the congress of workers employed by the Chinese Eastern and the Hulan-Hailung Railways and the municipal governments, to organize volunteer corps, train officers and men to fight Japan, to set up anti-Japanese societies, to organize workers and students and to mobilize the masses, the message being couched in words of a most inflammatory character.

The Manchuria Provincial Committee of the Chinese Communist Party is organized as shown in the table below.

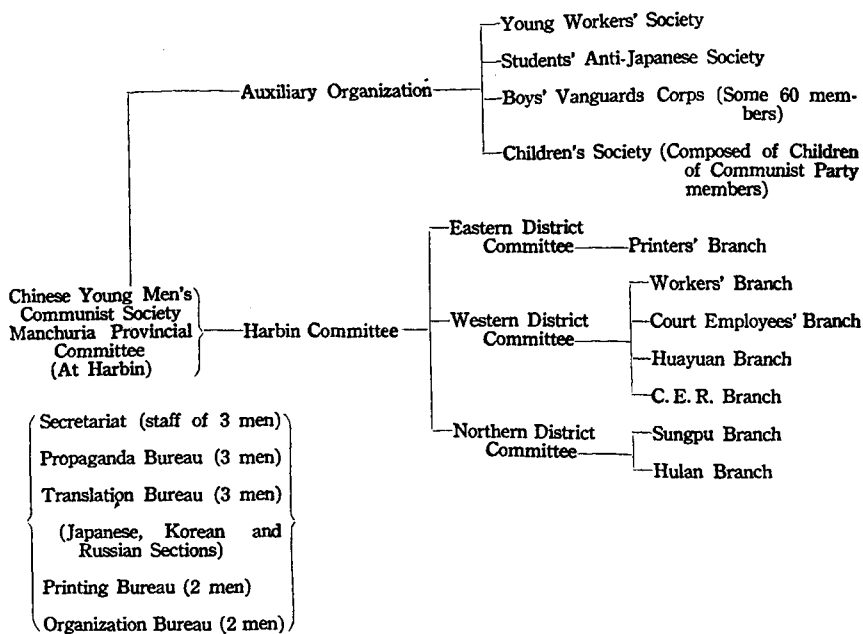
ORGANIZATION OF THE MANCHURIA PROVINCIAL COMMITTEE OF THE CHINESE COMMUNIST PARTY



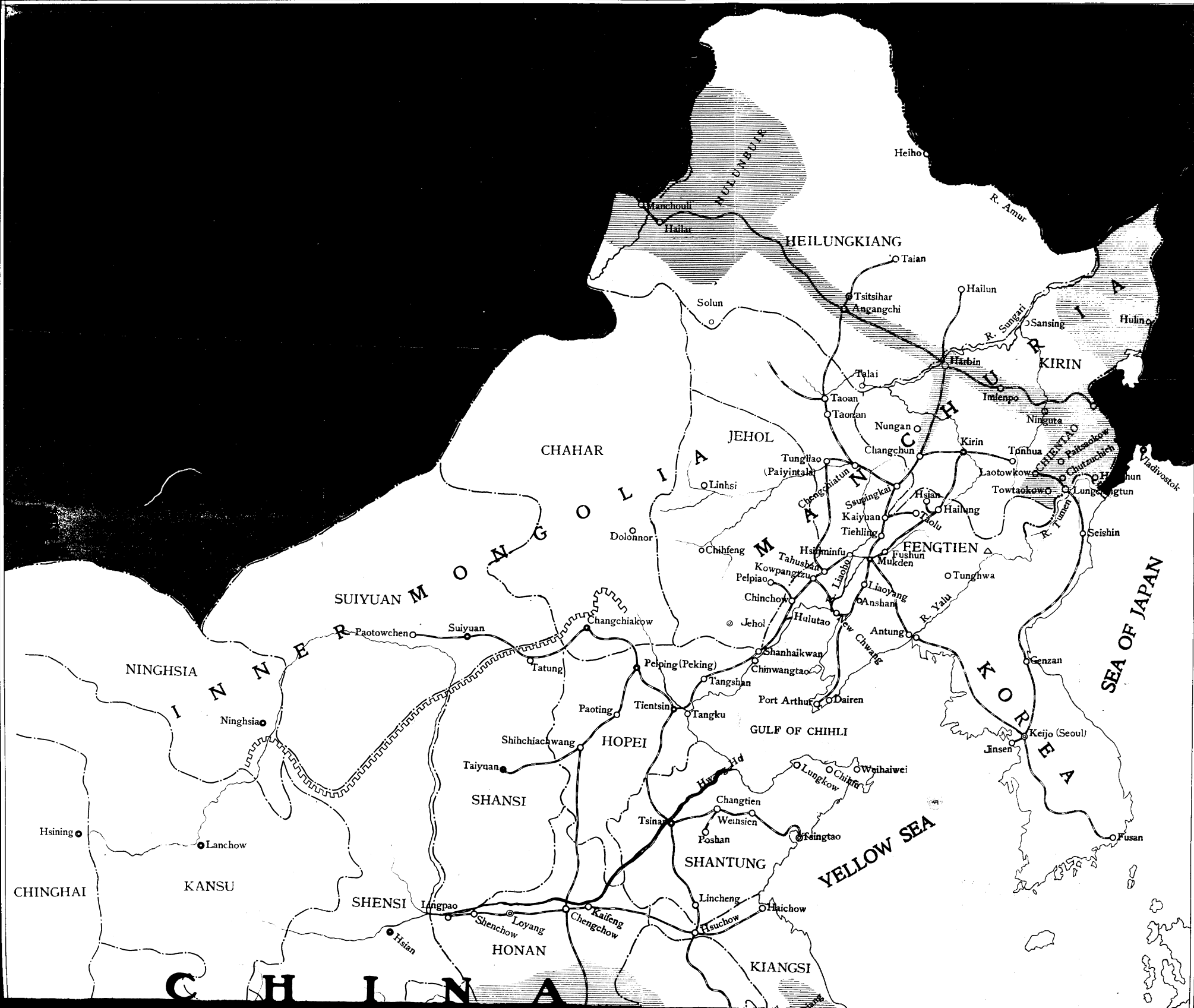
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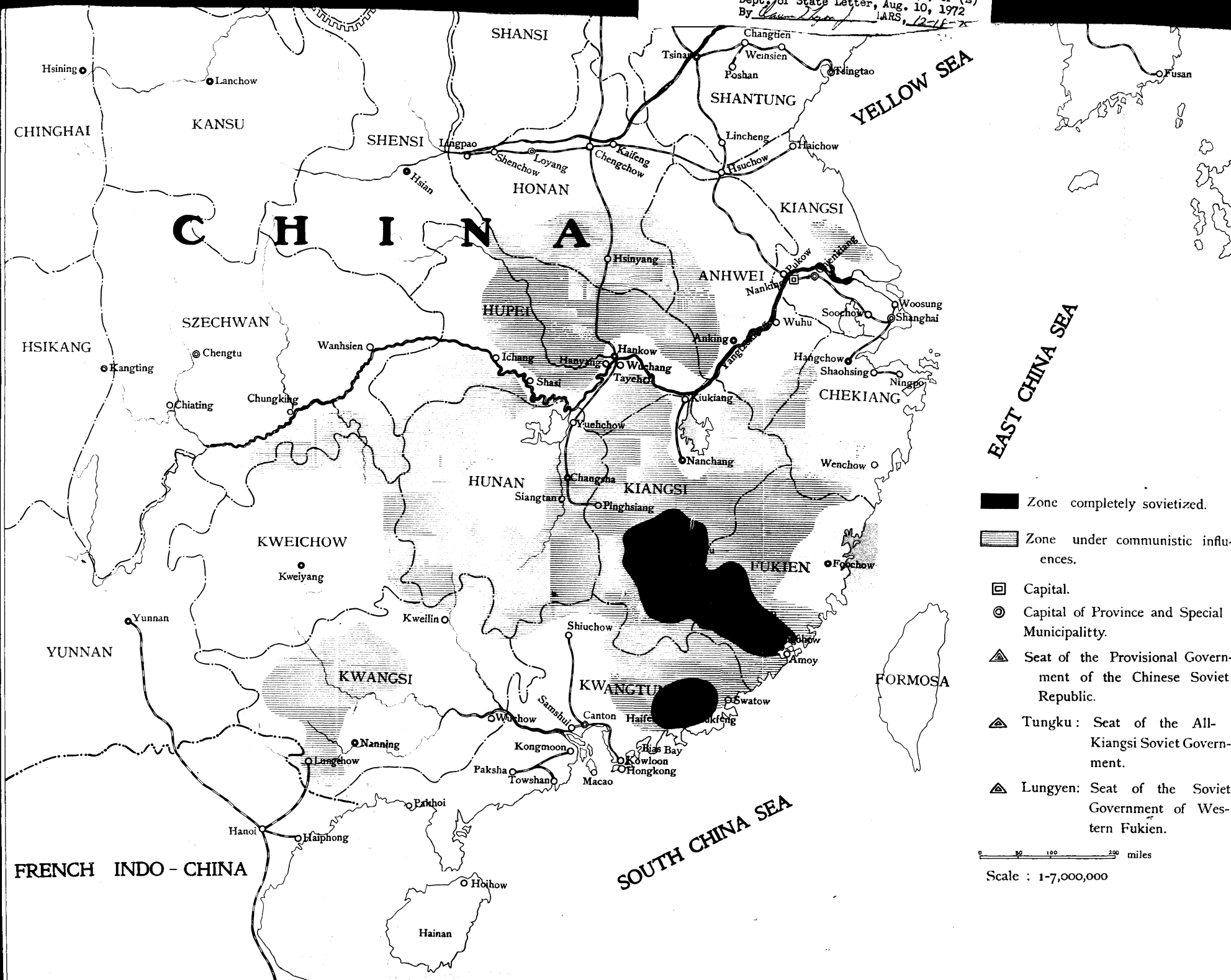
ORGANIZATION OF THE MANCHURIA PROVINCIAL COMMITTEE OF
 THE CHINESE YOUNG MEN'S COMMUNIST SOCIETY

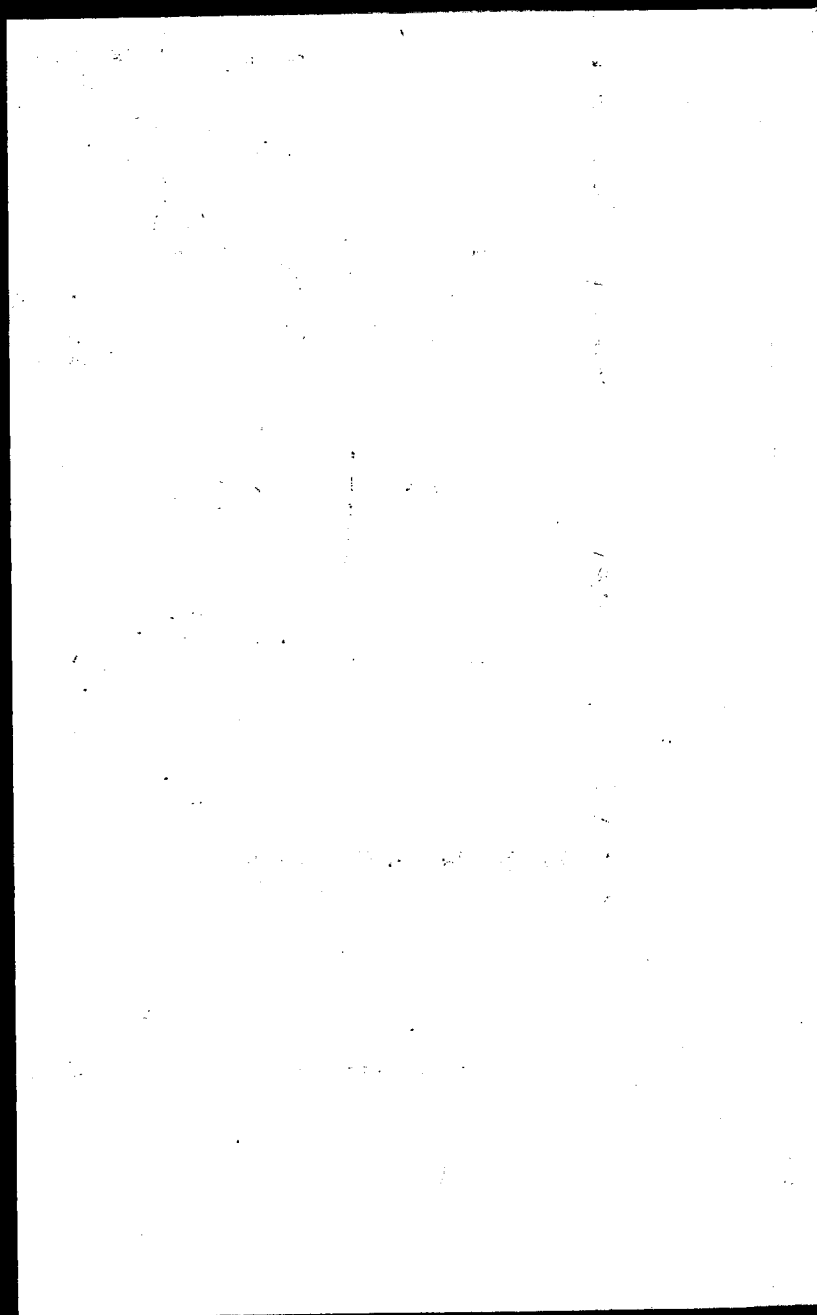


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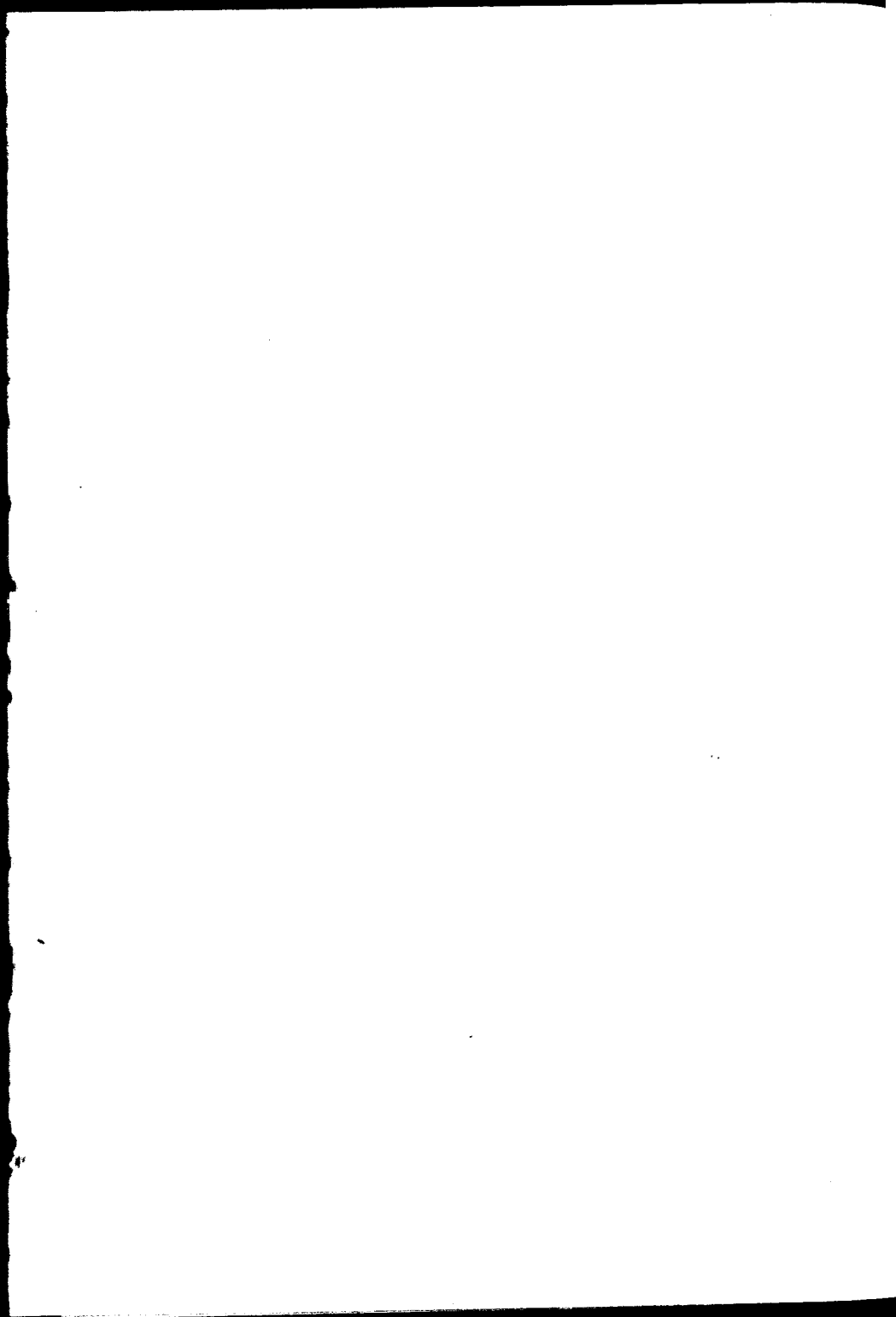


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 By *Chambers* JARS, 12-18-72

Present Condition and Validity of
 the So-called Twenty-one
 Demands



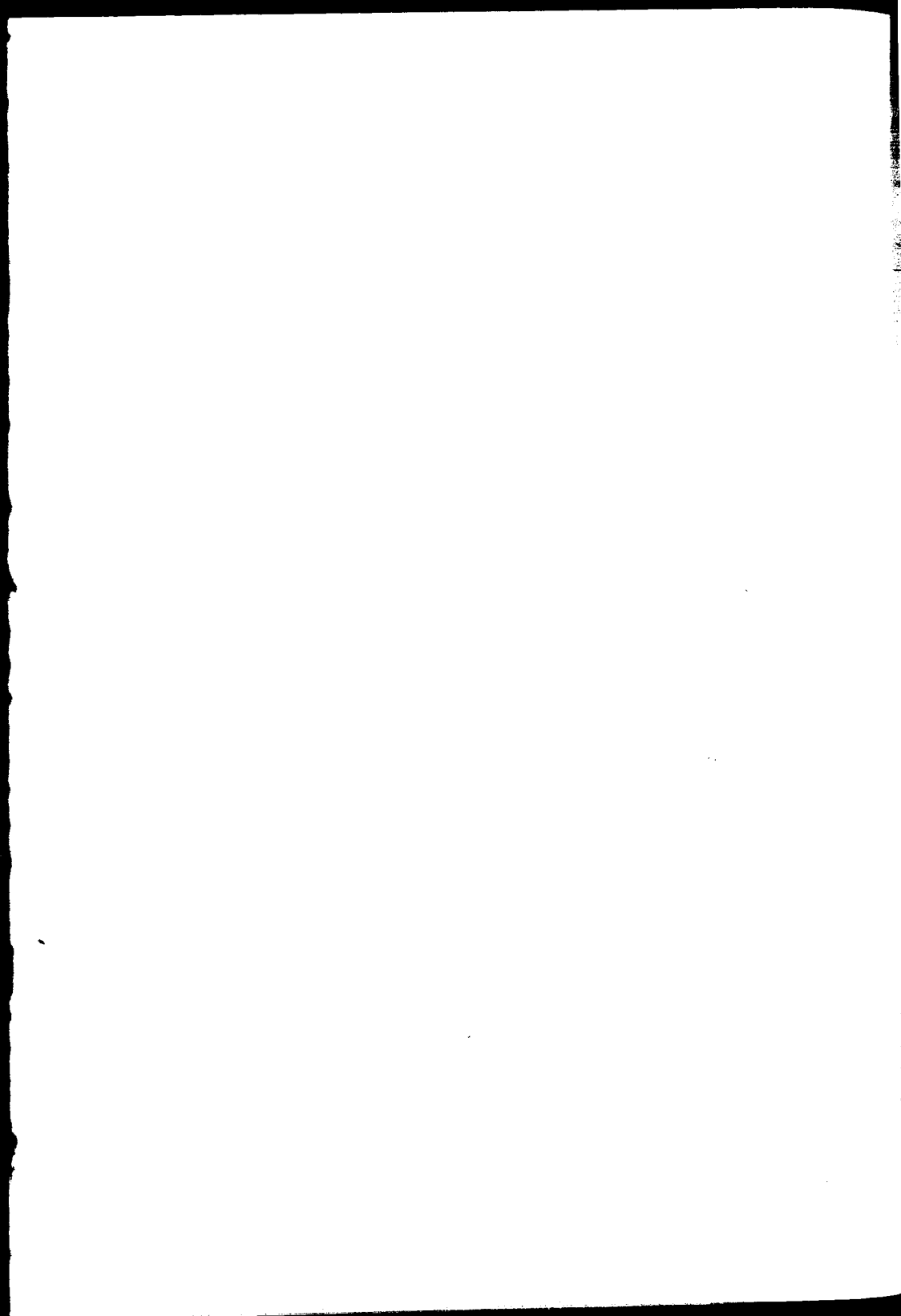
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The Present Condition and Validity of the So-Called Twenty-One Demands

I. The Present Condition of the So-Called Twenty-One Demands

The demands which the Japanese Government presented to the Chinese Government on January 18th, 1915, are generally known as "Twenty-One Demands," but those of them which remain effective to-day are comparatively few in number. As may be seen from the accompanying table, the four demands relating to the Province of Shantung were virtually settled as a result of the Washington Conference and the Conference for the Settlement of the Details of Outstanding Questions relative to Shantung. Of the seven demands relating to South Manchuria and Eastern Inner Mongolia, Japan withdrew, of her own accord, and as a result of the Washington Conference, those concerning her priority in the conclusion of contracts of loan on the security of railways and the duties and taxes of various kinds and in the engagement of political, financial and military advisers and instructors specified in Articles 5 and 6. Further, the demand relative to the transference of the management and control of the Kirin-Changchun Railway to Japan provided for in Article 7 had already been settled in 1917 on the revision of the Kirin-Changchun Railway Loan Agreement. The original Japanese demands relative to the Han-Yeh-Ping Company consisted of two articles. The second Article, embodying a demand for priority to be vested in the Company in the working of mines in the neighbourhood of the mines belonging to it was voluntarily withdrawn by Japan during the negotiations

of 1915; only the first article remaining, which stipulated that the Chinese Government should engage to bring the Company under joint Japanese and Chinese management, not to confiscate it, not to nationalize it without consent of the interested Japanese capitalists, and not to contract any foreign loan other than Japanese. The demands under Group IV relating to the non-alienation or lease of any ports or bays on, or any islands off, the coast of China, were withdrawn by Japan at the time of the negotiations in 1915, when the Chinese Government themselves made a simultaneous declaration to the same effect by Presidential Decree. With reference to the Proposals relating to the Solution of Pending Questions, etc. under Group V, Japan and China failed to reach an agreement during the negotiations of 1915, so that Japan made a reservation as to their further discussion in future negotiations. Later, at the Washington Conference, the Japanese delegates withdrew that reservation on their own initiative with the result that these proposals comprising seven articles have now been entirely dropped.

In short, of the so-called "Twenty-One Demands", those which are still effective are the engagements concerning (1) the extension of the terms of the lease of Port Arthur and Dairen and of those of the South Manchuria and Antung-Mukden Railways to a period of ninety-nine years; (2) freedom for Japanese subjects to lease land, to work mines, and to reside, travel and carry on business of various kinds, in South Manchuria, and the conduct of joint enterprises of Japanese and Chinese in agricultural and auxiliary industries in Eastern Inner Mongolia; and (3) the joint Japanese and Chinese management of the Han-Yeh-Ping Company. Although the agreements regarding (1) the extension of the terms of the lease of Port Arthur and Dairen, and of the terms of the South Manchuria and Antung-Mukden Railways and (2) freedom for Japanese subjects to lease land, to work mines, and to reside, travel and carry on business of various kinds

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in South Manchuria, and the conduct of joint Japanese and Chinese enterprises in agricultural and auxiliary industries in Eastern Inner Mongolia, were clearly and definitely provided for in the Treaty of 1915 respecting South Manchuria and Eastern Inner Mongolia and the Notes exchanged between the Japanese and Chinese Governments thereanent, China has since denied the validity of that Treaty and has utilized her contention as one of the main grounds of the anti-Japanese boycott. As regards (3) the joint Japanese and Chinese management of the Han-Yeh-Ping Company, it was agreed between the Japanese and Chinese Governments in the Notes exchanged in 1915, that "the Chinese Government shall engage to approve the agreement that may be concluded in future between the company and Japanese capitalists for its joint undertaking, not to confiscate it, not to nationalize it without consent of the interested Japanese capitalists, or to permit it to contract any foreign loan other than Japanese". In March, 1927, the Wu-han Government which was established through the co-operation of the left wing of the Nationalist Party and the Communists organized a commission on the adjustment of the company with a view to taking over its management. Subsequent to the fall of the Wu-han Government, the Nanking Government adopted and proceeded on that policy *vis-à-vis* the company, and, on March 1st, 1930, the Department of Agriculture and Mining issued an order to the company to the effect that it must transfer all its property to the aforesaid commission before the 15th of that month. The Japanese Government, thereupon, filed a strong protest with the Nanking Government against that procedure, calling it as a violation of the treaty, so the designs of the Chinese authorities to trespass upon our rights and interests in the company ended in failure. Mention must be made in this connection of the fact that, since 1908, the company has borrowed from the Industrial Bank of Japan and the Yokohama Specie Bank capital amounting to ¥ 50,000,000 (inclusive of interest), but it has so far defaulted on the payment of the interest, let alone the principal.

II. The Validity of the Sino-Japanese Treaties of 1915

At the Versailles Peace Conference and the Washington Conference and at any other available opportunity, China has demanded the abrogation of the Treaties under consideration. Among the reasons for the abrogation advanced by her, those upon which the greatest stress is laid are (1) that the Treaties were signed by her under duress, and (2) that Japan has made no return for the concessions that she demanded from China: i.e., that the benefits which she has obtained from China through the agreements incorporated in the compact are entirely unreciprocated, and (3) that the Treaties have never been ratified by the Chinese parliament as the Constitution of the Chinese Republic requires.

But, (1) jurists and students of international law unanimously assert the validity of a treaty signed on behalf of a State, not through personal violence and intimidation directed against its sovereign or his plenipotentiaries, but through pressure brought to bear upon it by a more powerful State. Should the argument put forward by China be accepted, all the peace treaties that have ever been concluded and numerous other treaties that exist to-day between nations would become null and void, thereby affecting the stability of international relationships to an impossible extent.

(2) The fact whether consideration was offered or not for a treaty has nothing to do with its validity. Moreover, in the case of the "Twenty-One Demands," as is shown in the official statement made by the Japanese Government on May 7th, 1915 (the full text of which is given elsewhere in this volume), they were partly such as pertained to the disposition of matters that existed prior and posterior to the war with Germany, the rest relating to questions that had been pending between Japan and China for many years. These questions were all calculated to become causes of dispute between the two countries and,

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unless amicably settled, there was cause for apprehension lest they should disturb peaceful relations and the good understanding on which those relations must be based, between the two nations. In view of this fact, and inasmuch as it was thought that a common understanding would be reached with comparative facility between Japan and China, the former entered into negotiations with the latter with respect to her demands. One of the demands, namely, the freedom of leasing land, of residence and travel, and of carrying on business of different kinds in South Manchuria, and the right of conducting agricultural undertakings under joint Japanese and Chinese management in Eastern Inner Mongolia constitutes an important engagement designed to throw open Manchuria and Mongolia to all nations and to offer to the world at large the inexhaustible wealth that lies untouched in those regions; and indeed it is clear that the development of Manchuria and Mongolia will result in benefitting China and the Chinese themselves most of all: the results of the operation of railways and various other enterprises by the South Manchuria Railway Company are a case in point. Although China contends that she has received no consideration for the conclusion of the Treaties, yet the efforts that have been made by Japan for the maintenance of peace and order in Manchuria and Mongolia as well as the endeavours and contributions that have been made by her in various ways towards the development of those regions should by no means be disregarded. Did China repay Japan in any way the invaluable favour done her by the latter in saving Manchuria from Russian invasion and in restoring the territory to her complete sovereignty? No one will cavil at the validity of the Treaties of 1915 for the reasons set forth by China, unless he entirely ignores the historical relations that have subsisted between Japan and Manchuria and Mongolia and is blind to the actual benefits which Japan has conferred on China and the immense contributions which she has made towards the development of those regions.

(3) With regard to the controversy as to the validity of the Treaties from the standpoint of the Chinese Constitution, it is to be noted that the Treaty relating to Shantung and the Treaty respecting South Manchuria and Eastern Inner Mongolia, which constitute the principal engagements under consideration, were signed on May 25th, 1915, and instruments of ratification exchanged on June 8th that year. The Chinese Parliament, if ever existed, should have refused the ratification of these Treaties, and taken other appropriate steps, if they were against the interest of their country, but it did nothing of the sort; so the ratification of the Treaties by the Heads of States was followed by the exchange of the instruments of ratification, by which the will of the States, parties to the compacts, was internationally confirmed. Article 25 of the Constitution of China of 1914 provides: "The President shall conclude treaties; but any such clause thereof as will bring about a change in the territory or increase burdens on the people shall be submitted to the Legislature for consent." Yuan Shih-kai, the then President of the Republic of China, ratified the Treaties without the consent of the Legislature, because he considered, in the sovereign capacity of Head of the State of China, that the agreements incorporated in the Treaties did not come within the proviso of that article.

Further, the history of the Chinese Republic reveals a fact still more disadvantageous to the Chinese contention in this controversy. The Chinese Parliament or Legislature which has any competence in the conclusion of treaties or agreements of an international nature, was not in existence during the whole period since the negotiation of the Treaties started in the beginning of the year 1915 until they were finally ratified by both countries. The Chinese Parliament, which was a creation of the "Provisional Constitution of 1912" had ceased to be a parliament, in the absence of a quorum, since President Yuan Shih-kai's *coup d'état* of November 4th, 1913, when the Koumintang, the

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main opposition party, was dissolved by presidential mandate and its members were suspended from exercising parliamentary functions. Even this nominal parliament was formally suspended on January 10th, 1914. In lieu of the parliament, there was an elected legislature (Lifayuan) constituted in accordance with the stipulations of the "Amended Provisional Constitution" which was promulgated on May 1st, 1914 and substituted for the Constitution of 1912. The first elections for this Legislature were intended to be held in the spring or early summer of 1915, but they had never taken place. These conditions involving the absence of any parliament or legislature, continued until the parliament was convened in August, 1916, after President Yuan Shin-kai had died on June 6th of that year, and the Constitution of 1912 had again become recognized as the fundamental law of the Republic.

This being the case, to call the Treaties unconstitutional in character and to try to have them abrogated after so many years of existence is quite absurd.

In addition to those already referred to, China cites, as reasons for the abrogation of the Treaties of 1915, to certain matters in those Treaties which she considers to be contrary to the principles of territorial integrity, equality of opportunity in commerce and the open door, and the basic rules concerning China that were adopted at the Washington Conference. But no provision of the Treaties is in fact in conflict with the principles and basic rules in question.

The Japanese Government, taking the above view, made the following reply on March 14th, 1923 to the Chinese request for the cancellation of the Treaties and Notes of 1915.

"I have the honor to acknowledge the receipt of your note of the 10th instant, in which, under instructions from Peking, you were good enough to communicate to me the decision of your Government respecting the abrogation of the Sino-Japanese treaties and notes of

May 25, 1915. After quoting the statement of your Government published immediately on the conclusion of the said treaties, the statement of the Chinese Delegation at the Paris Peace Conference, and the contentions advanced by the Chinese Delegation at the Washington Conference, your note concludes that the said treaties and notes should now be cancelled *in toto* except those stipulations and reservations contained therein which have already been adjusted or which the Japanese Government have already renounced or withdrawn.

"The Japanese Government are unable to conceal from themselves a sense of surprise and regret at the communication under acknowledgement.

"The treaties concluded and notes exchanged in 1915 were formally signed by Japanese and Chinese representatives who were properly invested with full powers by their respective Governments, the treaties having been, moreover, duly ratified by the respective heads of state. The views of the Japanese Government concerning these agreements were declared by their delegates at the Washington Conference.

"The attempt on the part of your Government to abrogate of its own accord treaties and notes which are perfectly valid will not only fail to contribute to the advancement of friendship between our two countries but should be regarded as contrary to the accepted principles of international intercourse. This Government, accordingly, cannot in any way lend themselves to the line of action now contemplated by your Government.

"The Japanese Government have always had near their heart the promotion of cordial relations between the two nations and they trust you will agree that their solicitude in that direction has been abundantly proved in their dealings with the Chinese Government by repeated acts of goodwill.

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"Furthermore, the Japanese Government have recently concluded new arrangements with China on certain matters stipulated in the said treaties and notes and have also declared their decision to waive the rights secured to them under various other clauses in the instruments in question and to withdraw certain reservations made in them. In this situation, they feel compelled to declare that they find absolutely nothing in the treaties and notes which is susceptible of further modification.

"It therefore seems to the Japanese Government that there is no occasion for entertaining in any way the proposals of your Government respecting the discussion of questions incidental to the restoration of Port Arthur and Dairen or consequent upon the abrogation of the said treaties."

With reference to the question of the validity of the Treaties of 1915, Baron Shidehara, one of the Japanese Delegates to the Washington Conference, made the following statement at the Plenary Session of the Far Eastern Committee held on February 2nd, 1922:

"At a previous Session of this Committee the Chinese Delegation presented a statement arguing that the Sino-Japanese Treaties and Notes of 1915 be reconsidered and cancelled. The Japanese Delegation, while appreciating the difficult position of the Chinese Delegation, does not feel at liberty to concur in the procedure now resorted to by China with a view to cancellation of international engagements which she entered into as a free sovereign nation.

"It is presumed that the Chinese Delegation has no intention of calling in question the legal validity of the compacts of 1915 which were formally signed and sealed by the duly authorized representatives of the two governments, and for which the exchange of ratifications was effected in conformity with established international usages. The insistence by China on the cancellation of those instruments would in itself indicate that she shares the view that the compacts actually

remain in force and will continue to be effective, unless and until they are cancelled.

"It is evident that no nation can have given ready consent to cessions of its territorial rights or other rights of importance. If it should once be recognized that rights solemnly granted by treaty may be revoked at any time on the ground that they were conceded against the spontaneous will of the grantor, an exceedingly dangerous precedent will be established, with far-reaching consequences upon the stability of the existing international relations in Asia, in Europe, and everywhere.

"The statement of the Chinese Delegation under review declares that China accepted the Japanese demands in 1915, hoping that a day would come when she should have the opportunity of bringing them up for reconsideration and cancellation. It is, however, difficult to understand the meaning of this assertion. It can not be the intention of the Chinese Delegation to intimate that China may conclude a treaty with any thought in mind of breaking it at the first opportunity.

"The Chinese Delegation maintains that the Treaties and Notes in question are derogatory to the principles adopted by the Conference with regard to China's sovereignty and independence. It has, however, been held by the Conference on more than one occasion that concessions made by China *ex contractu*, in the exercise of her own sovereign rights, cannot be regarded as inconsistent with her sovereignty and independence.

"It should also be pointed out that the term 'Twenty-one Demands,' often used to denote the Treaties and Notes of 1915, is inaccurate and grossly misleading. It may give rise to an erroneous impression that the whole original proposals of Japan had been pressed by Japan and accepted *in toto* by China. As a matter of fact, not only 'Group V,' but also several other matters contained in Japan's first proposals were eliminated entirely or modified considerably, in deference to the wishes of the Chinese Government, when the final formula was presented to

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China for acceptance. Official records published by the two Governments relating to those negotiations will further show that the most important terms of the Treaties and Notes, as signed, had already been virtually agreed to by the Chinese negotiators before the delivery of the ultimatum, which then seemed to the Japanese Government the only way of bringing the protracted negotiations to a speedy close.

"The Japanese Delegation can not bring itself to the conclusion that any useful purpose will be served by research and re-examination at this Conference of old grievances which one of the nations represented here may have against another. It will be more in line with the high aim of the Conference to look forward to the future with hope and confidence.

"Having in view, however, the changes which have taken place in the situation since the conclusion of the Sino-Japanese Treaties and Notes of 1915, the Japanese Delegation is happy to avail itself of the present occasion to make the following declaration:

"1. Japan is ready to throw open to the joint activity of the International Financial Consortium, recently organized, the right of option granted exclusively in favour of Japanese capital, with regard, first, to loans for the construction of railways in South Manchuria and Eastern Inner Mongolia, and second, to loans to be secured on taxes in that region; it being understood that nothing in the present declaration shall be held to imply any modification or annulment of the understanding recorded in the officially announced notes or memoranda, which were exchanged among the Governments of the countries represented in the Consortium and also among the national financial groups composing the Consortium, in relation to the scope of the joint activity of that organization.

"2. Japan has no intention of insisting on her preferential right under the Sino-Japanese agreements in question concerning the engagement by China of Japanese advisers or instructors on political, financial, military or police matters in South Manchuria.

"3. Japan is further ready to withdraw the reservation which she made, in proceeding to the signature of the Sino-Japanese Treaties and Notes of 1915, to the effect that Group V of the original proposals of the Japanese Government would be postponed for future negotiations.

"It would be needless to add that all matters relating to Shantung contained in those Treaties and Notes have now been definitely adjusted and disposed of.

"In coming to this decision, which I have had the honour to announce, Japan has been guided by a spirit of fairness and moderation, having always in view China's sovereign rights and the principle of equal opportunity."

III. Statement Made by the Japanese Government respecting the Sino-Japanese Negotiation of 1915

(May 7th, 1915)

"The Imperial Government have, in the demands which were lately presented to the Chinese Government, made it their main object to adjust matters to meet the new situation created by the war between Japan and Germany, to bring closer the friendly relations subsisting between Japan and China, and thus to ensure the permanent peace of the Orient. They have in formulating these demands, taken especial care to avoid those which might be deemed to conflict with the principles of territorial integrity, equal opportunity, and open door, which Japan has from time to time declared to the Powers in regard to China. Accordingly, these demands include among others those relating to the disposition of the German rights in Shantung, those relating to the recognition of the special position and interests of Japan in South Manchuria and Eastern Inner Mongolia, and those relating to the solution of various questions which have for many years been pending between the Japanese and Chinese Governments.

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"I. Demands relating to the Province of Shantung.

1. Engagement on the part of China to consent to all matters that may be agreed upon between the Imperial Government and the German Government with regard to the disposition of all rights, interests, and concessions, which, in virtue of treaties or otherwise, Germany possesses in relation to the Province of Shantung;

2. Engagement not to alienate or lease to another Power the Province of Shantung or any portion thereof or any island lying near the coast of the said province;

3. Grant to Japan of the right of construction of a railway connecting Chefoo or Lungkow with the Tsinan-Kiaochow Railway;

4. The Chinese Government to open the principal cities of the Province of Shantung for the residence and trade of foreigners.

"II. Demands relating to South Manchuria and Eastern Inner Mongolia.

1. Extension of the terms of the lease of Port Arthur and Dairen, and the South Manchuria and Antung-Mukden Railways to a period of ninety-nine years;

2. Japanese subjects to be permitted to lease or own land necessary either for erecting buildings of various kinds for commercial and industrial uses or for agricultural purposes;

3. Japanese subjects to be permitted to reside, travel, and carry on business of various kinds, commercial, industrial, or otherwise;

4. Japanese subjects to be granted the mining rights of certain specified mines;

5. The consent of the Imperial Government to be obtained in advance when China proposes to grant a railway concession to subjects of a third Power or to procure a supply of capital from a third Power for the construction of a railway or to raise a loan from such Power on security of duties or taxes;

6. The Imperial Government to be consulted before engaging Advisers or Instructors regarding political, financial or military matters ;

7. The management and control of the Kirin-Changchun Railway to be transferred to Japan for a term of ninety-nine years.

“III. Demands relating to the Han-Yeh-Ping Company.

1. Having regard to the close relations between Japanese capitalists and this Company, the Chinese Government to agree to bring the Company at an opportune moment under joint Japanese and Chinese management, and not to dispose or permit the Company to dispose, without Japan's consent, any rights or property belonging to the Company ;

2. Owing to the necessity for the protection of the interests of Japanese capitalists, the Chinese Government to engage not to permit without the consent of the Company any one other than the Company to work mines situated in the neighbourhood of those belonging to the Company, and also to obtain its previous consent in case it is proposed to take measures which may be deemed to affect the Company directly or indirectly.

“IV. Demands relating to Non-alienation of the Coast of China or Island off the Coast.

The Chinese Government to engage not to alienate or lease to a third Power any ports or bays on or any islands off the coast of China.

“V. Propositions relating to the Solution of Pending Questions and Others.

1. The Central Government to engage influential Japanese as political, financial, and military advisers ;

2. The Chinese Government to recognise the right of land ownership for the purpose of building Japanese hospitals, temples and schools thereon in the interior of China ;

3. The police in localities where such arrangements are necessary to be placed under joint Japanese and Chinese administration or Japanese to be employed in police offices in such localities ;

4. China to obtain from Japan a supply of a certain quantity of

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arms or to establish an arsenal in China under joint Japanese and Chinese management and to be supplied with experts and materials from Japan;

5. Japan to be given the right of construction of the railway to connect Wuchang with the Kiukiang-Nanchang line and of Nanchang-Hangchow and Nanchang-Chaochow railway;

6. In view of the relations between the Province of Fukien and Formosa and the agreement respecting the non-alienation of Fukien, Japan to be consulted whenever foreign capital is needed in connection with the railways, mines and harbour works including dockyards;

7. The Chinese Government to recognise the right of preaching by Japanese in China.

"With regard to the Province of Shantung, China absolutely lacks, it is clear, in her present condition the power to prevent Germany from recovering her influence in that province and from becoming in future again a source of disturbance in the Far East. It is therefore natural that Japan who has at a great sacrifice driven Germany out of Shantung should present the above-mentioned demands in order to consider how the rights possessed by Germany should be disposed of and to take measures to prevent the recrudescence of German influence. Japan's relations with Manchuria have always been especially close geographically, politically, and from the point of view of commercial and industrial interests; and since those relations have been strengthened by two successive wars, the predominant position of Japan in that region is recognised both at home and abroad. The case is almost similar with regard to Eastern Inner Mongolia. Further, for the advancement of the intimate relations subsisting between Japan and China, no effort should be spared to solve definitely on this occasion all pending questions which are likely to lead to difficulties with China, and at the same time to make an agreement with a view to prevent future misunderstandings; and the Imperial Government,

fully expecting that the Chinese Government would value the friendly sentiments existing between the two countries and willingly accede to the Japanese proposals, urged them to carry these matters into effect, whereas in other matters China's consent was demanded by reason of treaty and other rights.

"With regard to the demands which were formulated after careful and natural consideration on the basis of the principles above referred to, the Chinese Government, in disregard of an understanding which was made at the commencement of the negotiations to keep the proceedings of the conferences strictly secret, made public the Japanese proposals in various exaggerated forms and endeavoured to stir up the feelings of the Powers against Japan; they caused the matter discussed at the conferences to be published invariably in newspapers with a view to hinder the progress of the negotiations; by fabricating news detrimental to Japan, they attempted to shake the confidence placed by her Ally in Japan; they even demanded the unconditional retrocession of Kiaochow and indemnity for damage caused by the war between Japan and Germany, and thus they showed from the first a lack of sincere desire for a satisfactory conclusion of the negotiations. Moreover, although the Imperial Government fully showed their sincerity by repeatedly explaining the motives of the demands and endeavoured to hear China's unreserved views on the matter, it is an undeniable fact that the Chinese authorities failed to appreciate the friendly attitude of Japan and persisted in protracting the negotiations. Twenty-five conferences were held in all extending over more than three months, and, throughout these conferences, the Imperial Government exhausted every means to arrive at a satisfactory solution; but the Chinese Government, although they showed a disposition to agree to the demands relating to the Province of Shantung, yet, with regard to South Manchuria, put various restrictions upon the most important demands, namely those relating to the rights regarding residence and

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land tenure; and objected to those relating to Eastern Inner Mongolia, and the various questions enumerated under Heading V, on the ground that they were derogatory to the sovereign rights of China or that they conflicted with the treaties with other Powers and although the Japanese Minister explained that such was not the case, they refused to listen to him.

"But, recognising that a satisfactory conclusion of the negotiations were most important for the maintenance of peace in the Far East, the Imperial Government treated the Chinese contentions with every consideration, and making very great concessions in a spirit of conciliation, amended their proposals and presented their revised draft to the Chinese Government on the 26th April.

"In the revised draft the contentions put forward by the Chinese Government at the conference were taken into consideration. In this draft (1) as regards Eastern Inner Mongolia, the demands were confined for the present to absolutely necessary matters; (2) those relating to the Han-Yeh-Ping Company were confined to matters which were admitted by the Chinese Government at the conferences; (3), as regards the demand respecting the non-alienation of the coast, the form desired by the Chinese was accepted. The proposals relating to advisers, ownership of land for schools and hospitals, and the position of the Province of Fukien were all altered in accordance with the views expressed by the Chinese representatives at the conferences; as regards the South China railways, the relations with third parties, especially, were respected and alterations made accordingly; the question of right of preaching was reserved for future negotiations, those relating to police and to the ownership of sites for temples were withdrawn. The revised draft is, therefore, practically as follows:

"I. Eastern Inner Mongolia is excluded from the proposals respecting South Manchuria and Eastern Inner Mongolia, and the second and third clauses are amended as follows:—

a. The Japanese subjects shall be permitted in the region of South Manchuria to lease or buy land necessary either for erecting buildings of various kinds for commercial and industrial uses or for agricultural purposes.

b. The Japanese subjects shall have liberty to enter, travel and reside in the region of South Manchuria and carry on their business of various kinds—commercial, industrial and otherwise.

c. Referring to the preceding two provisions, the Japanese subjects shall produce before the Chinese local authorities the passports duly issued, and be registered by the said authorities. They shall also observe the Chinese police laws or regulations approved by the Japanese consuls and pay to the Chinese authorities the taxes approved by the Japanese consuls. In civil and criminal suits, the Japanese consuls, where a Japanese subject is the defendant, and the Chinese official, where a Chinese citizen is the defendant, shall respectively try and decide the case, both the Japanese consul and the Chinese official being permitted each to send his authorized agent to attend the trial of the other and watch proceedings; provided that in a civil suit concerning land between Japanese and Chinese, the case shall be examined and decided jointly by the Japanese consul and the Chinese official according to the laws and local customs of China; provided further that in the future when the judicial system in the said region shall have been completely reformed, all civil and criminal suits involving Japanese subjects shall be wholly tried and decided by the Chinese courts.

"II. Proposals relating to Eastern Inner Mongolia.

a. To permit joint enterprises of Japanese and Chinese in agricultural and auxiliary industries;

b. To consult Japan first in case China contemplates contracting either railway loans or loans to be secured by the taxes;

c. To increase open marts.

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"III. As regards the Han-Yeh-Ping Company, the Chinese Government shall engage (a) to approve the agreement that may be concluded in future between the Company and Japanese capitalists for its joint undertaking, (b) not to confiscate it, (c) not to nationalize it without consent of the interested Japanese capitalists, and (d) not to permit it to contract any foreign loan other than Japanese.

"IV. As regards the non-alienation of the Chinese coasts, the Imperial Government will be satisfied with the declaration as suggested by the Chinese Government.

"V. As to the other points.

1. The following shall be kept on record:—

a. That the Chinese Government will, in case of necessity in future, employ Japanese advisers;

b. That in case Japanese subjects desire to lease or purchase land for the purpose of building schools and hospitals in the interior, the Chinese Government will permit them to do so;

c. That the Chinese Government will some day in future send their military officers to Japan in order to make arrangements directly with the Japanese military authorities either for purchase of arms from Japan or for establishing an arsenal in China under Japanese and Chinese management;

d. That the Chinese Government will grant to Japan the desired railway concessions in South China, in case it becomes clear that there is no objection in this respect on the part of any other Power, or that the Chinese Government will refrain from entering into any agreement with any other party concerning the railway lines in question until Japan may, independently of the present negotiations with China, reach an agreement with the party, whose interests are, in the opinion of the Chinese Government opposed to the proposed lines;

e. That the question of the freedom of preaching by Japanese missionaries will be left for future discussion.

2. The proposal for joint administration of police is withdrawn.

3. As to Fukien Province, the Chinese Government to engage in some form that they will not grant to any other Power the right to build a shipyard, coaling or naval station or any other military establishment on or along the coast of Fukien Province, and further that the Chinese Government will not allow any such establishment to be built with any foreign capital on the coast of the said province.

“At the same time as the presentation of the revised draft, the Imperial Government declared to the Chinese Government that, if at the peace conference upon conclusion of the present war, Japan should be given free disposal of Kiaochow which she has acquired at an enormous sacrifice, she would return it to China subject to certain conditions, of which the principal ones are as follows: (1) the opening of Kiaochow Bay as a commercial port, (2) the establishment of a Japanese concession in the locality to be designated by Japan, (3) the establishment, if required by the Powers, of an international settlement, and (4) arrangements to be made between the Japanese and Chinese Governments, regarding the disposal of German public structures and properties. Germany having after many years of labour and heavy expenditure of money converted Kiaochow into an important military and commercial port, as the basis of her expansion in the East, Germany's influence in this part of China grew with the development of Kiaochow and became so firmly established that it was utterly hopeless for China single-handed to regain possession of the leased territory. Japan, desiring to remove this source of danger which might in future again disturb the peace of the East, captured it at no small cost of life and money; and now that it is in her hands and she is almost at liberty to dispose of it as she will, she is certainly under no obligation to return it to China; but she offered of her own will

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to return Kiaochow, because she was anxious to promote the friendly relations with China and to maintain the general peace of the Far East.

"The Chinese Government have, however, failed to reciprocate Japan's sentiment of accommodation and conciliation, and on the 1st May presented a counter draft which they declared to be their final answer. In this counter draft the Chinese Government recognize, with regard to South Manchuria the right of residence, trade, and leasing land of Japanese subjects in the interior, but refuses to recognize long leases, and demand that Japanese subjects shall submit to Chinese police laws and regulations and be liable to the same taxes and duties as Chinese, and all actions arising out of land disputes whether between Japanese and Chinese or between Japanese themselves shall come under the jurisdiction of Chinese courts. As regards Eastern Inner Mongolia, they put limitations on the extent of that region and refuse to permit the main point of the Japanese demand, which is the joint enterprise of Japanese and Chinese in agriculture and auxiliary industries. Further, they demand at the same time unconditional surrender of the leased territory of Kiaochow; the recognition of the right of the Chinese Government to participate in the coming peace negotiations between Japan and Germany; the indemnification by Japan for all losses suffered by China in consequence of the Japan-German war; the immediate removal of various military establishments of the Japanese army and prompt evacuation of the occupied territory. They also refused all the proposals contained in Group V of the Japanese amended project except that relating to Fukien.

"In this counter draft the Chinese Government still further, in disregard of the responsible statements made by their representatives at the conferences, revived in some cases articles which have already been withdrawn and in others made alterations in matters which have been agreed to.

"Moreover, they make demands to which it is clearly impossible

for Japan to accede, such as those for unconditional surrender of Kiaochow and indemnification for losses incurred through the Japan-German War. Furthermore, the Chinese Government declare that the counter draft formulates their final decision; accordingly, so long as Japan refuses to accede to these demands, whatever agreement may have been arrived at on other points, must ultimately be abortive, and the terms offered by China will prove illusory.

"The Imperial Government deeply regret to perceive from the attitude of the Chinese Government that it is no longer of any use to continue the present negotiations; nevertheless, being desirous, with a view to the maintenance of peace in the Orient, to make every effort to bring the negotiations to a satisfactory conclusion and thus to avoid complications in the situation, the Imperial Government, taking fully into account the wishes of the Chinese Government, have decided with great forbearance to leave out of the present negotiations and reserve for future discussion all the items specified in the Fifth Group of their amended draft except that relating to Fukien about which agreement has been reached. The Imperial Government instructed their Minister at Peking on the 6th May that in conveying this decision to the Chinese Government, he should earnestly advise them to give due regard to Japan's sentiment of accommodation and conciliation and to express, after careful consideration, their assent without delay to the Japanese amended draft, and at the same time to announce that the Imperial Government expect from the Chinese Government a satisfactory response to this advice not later than 6.0 p.m. on the 9th May."

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Table Showing the Present Condition

I. Demands relating to the

Species of Demands	Original Demands
1. The succession of Japan to the position of Germany.	(Art. 1) The Chinese Government engage to give full assent to all matters that the Japanese Government may hereafter agree upon with the German Government respecting the disposition of all the rights, interests and concessions, which, in virtue of treaties or otherwise, Germany possesses in relation to the Province of Shantung.
2. The non-alienation of the Province of Shantung.	(Art. 2) The Chinese Government engage that, within the Province of Shantung and along its coast, no territory or island will be ceded or leased to any other Power, under any pretext whatever.

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of the So-Called Twenty-One Demands

Province of Shantung (Group I)

Demands Confirmed by Treaties or Otherwise	Subsequent Developments	Present Condition
The original demand was accepted coupled with a declaration by Japan affirming the future restitution of Kiaochow to China (Art. 1).	This demand was virtually superseded as the result of the conclusion of the Treaty for Settlement of Outstanding Questions relative to Shantung.	Ceased to exist.
This article was struck out of the Treaty subsequently concluded, and in place thereof the Chinese Government made a declaration to the same effect.	This demand was virtually superseded by the declaration, which was made by the Chinese Delegation on November 16, 1921, and was assented to by all the Powers represented at the Washington Conference on February 4, 1922, that "China upon her part is prepared to give an undertaking not to alienate or lease any portion of her territory or littoral to any Power."	Ceased to exist.

Table Showing the Present Condition

I. Demands relating to the

Species of Demands	Original Demands
1. The succession of Japan to the position of Germany.	(Art. 1) The Chinese Government engage to give full assent to all matters that the Japanese Government may hereafter agree upon with the German Government respecting the disposition of all the rights, interests and concessions, which, in virtue of treaties or otherwise, Germany possesses in relation to the Province of Shantung.
2. The non-alienation of the Province of Shantung.	(Art. 2) The Chinese Government engage that, within the Province of Shantung and along its coast, no territory or island will be ceded or leased to any other Power, under any pretext whatever.

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By Lawrence J. ... ARS, 12-18-78

of the So-Called Twenty-One Demands

Province of Shantung (Group I)

Demands Confirmed by Treaties or Otherwise	Subsequent Developments	Present Condition
The original demand was accepted coupled with a declaration by Japan affirming the future restitution of Kiaochow to China (Art. 1).	This demand was virtually superseded as the result of the conclusion of the Treaty for Settlement of Outstanding Questions relative to Shantung.	Ceased to exist.
This article was struck out of the Treaty subsequently concluded, and in place thereof the Chinese Government made a declaration to the same effect.	This demand was virtually superseded by the declaration, which was made by the Chinese Delegation on November 16, 1921, and was assented to by all the Powers represented at the Washington Conference on February 4, 1922, that "China upon her part is prepared to give an undertaking not to alienate or lease any portion of her territory or littoral to any Power."	Ceased to exist.

Species of Demands

Original Demands

3. The right of construction of a railway connecting Chefoo with the Kiaochow-Tsinan Railway.

(Art. 3) The Chinese Government agree to the construction by Japan of a railway connecting Chefoo or Lungkow with the Kiaochow-Tsinan Railway.

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Demands Confirmed by Treaties or Otherwise	Subsequent Developments	Present Condition
The Chinese Government engage that, in case they undertake the construction of a railway connecting Chefoo or Lungkow with the Kiaochow-Tsinan Railway, they shall, in the event of Germany's surrendering her right of providing capital for the Chefoo-Weihsien railway line, enter into negotiations with Japanese capitalists for the purpose of financing the said undertaking (Art. 2).	In Annex V to the Treaty for the Settlement of Outstanding Questions relative to Shantung concluded at the Washington Conference, it was stipulated that: "The Government of Japan will not claim that the option for financing the Chefoo-Weihsien Railway should be made open to the common activity of the International Financial Consortium, provided that the said Railway is to be constructed with Chinese capital."	Ceased to exist.

Species of Demands

Original Demands

4. The establishment of open ports in the Province of Shantung.

(Art. 4) The Chinese Government engage to open, of their own accord, as soon as possible, certain important cities and towns in the Province of Shantung for the residence and commerce of foreigners. The places to be so opened shall be decided upon in a separate agreement.

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Demands Confirmed by Treaties or Otherwise	Subsequent Developments	Present Condition
The Chinese Government engage to open, of their own accord, as early as possible, suitable cities and towns in the Province of Shantung for the residence and trade of foreigners (Art. 3).	This was virtually superseded by the declaration made by the Chinese Delegation on January 12, 1922 at the 20th Meeting for the Settlement of the Shantung Questions which was later confirmed by a written document dated February 17, of the same year that: "In view of the settlement of outstanding questions relative to Shantung and for the purpose of promoting international trade, the Chinese Government is contemplating to carry into effect, in the near future, its intention to open, of its own accord, certain suitable cities along the Tsingtao-Tsinanfu Railway as self-opened ports to the trade and residence of the nationals of all treaty Powers under regulations to be promulgated by the Chinese Government."	Ceased to exist

II. Demands relating to South Manchuria

Species of Demands	Original Demands
5. The extension of the terms of the lease of Port Arthur and Dairen, and of those of the South Manchuria and Antung-Mukden Railways.	(Art. 1) The High Contracting Parties mutually agree that the term of the lease of Port Arthur and Dairen and the term respecting the South Manchuria Railway and the Antung-Mukden Railway shall be extended to a further period of ninety-nine years respectively.

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and Eastern Inner Mongolia (Group II)

Demands Confirmed by Treaties or Otherwise	Subsequent Developments	Present Condition
<p>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 to the Antung-Mukden Railway, to a period of ninety-nine years respectively (Art. 1). Notes were exchanged between the Japanese and Chinese Governments, confirming that the extension of the term of the lease of Port Arthur and Dairen should expire in the year 1997 of the Christian era, that the date for reversion to China of the South Manchuria Railway should fall due in the year 2002 of the Christian era, and that the term with respect to the Antung-Mukden Railway should expire in the year 2007 of the Christian era.</p>		<p>Continues to exist.</p>

Species of Demands

Original Demands

6. The right of leasing
and owning land.

(Art. 2) Japanese subjects shall be permitted in South Manchuria and Eastern Inner Mongolia to lease or own land required either for erecting buildings for various commercial and industrial uses or for farming.

7. The liberty of Japanese
subjects to enter, reside
and travel.

(Art. 3) Japanese subjects shall have liberty to enter, reside and travel in South Manchuria and Eastern Inner Mongolia, and to carry on business of various kinds—commercial, industrial and otherwise.

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Demands Confirmed by Treaties or Otherwise	Subsequent Developments	Present Condition
<p>The subjects of Japan shall be permitted in South Manchuria to lease land necessary either for erecting buildings for various commercial and industrial uses or for agricultural purposes. (Art. 2). Notes were exchanged between the Japanese and Chinese Governments, confirming the interpretation that the term "lease" mentioned in Article 2 of the Treaty respecting South Manchuria and Eastern Inner Mongolia included leases for a long term up to thirty years and unconditionally renewable.</p>		<p>Continues to exist.</p>
<p>The subjects of Japan shall have liberty to enter, travel and reside in South Manchuria and carry on business of various kinds (Art. 3); The Government of China shall permit joint undertakings, in Eastern Inner Mongolia, of the subjects of Japan and citizens of China, in agriculture and industries auxiliary thereto (Art. 4); The Government of China engage to open, of their own accord, as early as possible, suitable cities and towns in Eastern Inner Mongolia for the residence and trade of foreigners.</p>		<p>Continues to exist.</p>

Species of Demands

Original Demands

8. The right of mining.

(Art. 4) The Chinese Government grant to the Japanese subjects the right of mining in South Manchuria and Eastern Inner Mongolia. As regards the mines to be worked, they shall be decided upon in a separate agreement.

9. The priority of Japan in the construction of railways and of the supply of capital for the construction of railways.

(Art. 5) The Chinese Government agree that the consent of the Japanese Government shall be obtained in advance, (1) whenever it is proposed to grant to other nationals the right of constructing a railway or to obtain from other nationals the supply of funds for constructing a railway in South Manchuria and Eastern Inner Mongolia, and (2) whenever a loan is to be made with any other Power, on the security of the taxes of South Manchuria and Eastern Inner Mongolia.

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Demands Confirmed by Treaties or Otherwise	Subsequent Developments	Present Condition
Notes were exchanged between the Japanese and Chinese Governments to the effect that, should Japanese subjects select certain mines (the names of which are omitted here) and apply for the working thereof, permission to prospect or work them would be granted by the Chinese Government.		Continues to exist.
Notes were exchanged between the Japanese and Chinese Governments to the effect that the Chinese Government would negotiate first with Japanese capitalists for a loan, if foreign capital should be required for the construction of railways in South Manchuria and Eastern Inner Mongolia; and further, when the Chinese Government propose to raise a loan abroad on the security of the taxes of the above-mentioned regions, they would first consult Japanese capitalists.	At the Washington Conference, a declaration was made to the effect that these matters would be thrown open to the common activity of the new International Financial Consortium.	Ceased to exist.

Species of Demands

Original Demands

10. The priority of Japan in the engagement of political, financial or military advisers or instructors.

(Art. 6) The Chinese Government engage that whenever the Chinese Government need the service of political, financial or military advisers or instructors in South Manchuria or in Eastern Inner Mongolia, Japan shall first be consulted.

11. The management and control of the Kirin-Changchun Railway.

(Art. 7) The Chinese Government agree that the control and management of the Kirin-Changchun Railway shall be handed over to Japan for a term of ninety-nine years dating from the signing of this Treaty.

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Demands Confirmed by Treaties or Otherwise	Subsequent Developments	Present Condition
Notes were exchanged between the Japanese and Chinese Governments to the effect that, should the Chinese Government desire to employ foreign advisers and instructors on political, financial, military and police affairs in South Manchuria, preference would be given to Japanese.	At the Washington Conference, a declaration was made, abandoning this priority.	Ceased to exist.
The Government of China agree to a speedy fundamental revision of various agreements and contracts relating to the Kirin-Changchun Railway, on the basis of the terms embodied in railway loan agreements which China has heretofore entered into with various foreign capitalists. If, in future, the Chinese Government grant to foreign capitalists, in matters that relate to railway loans, more advantageous terms than those in the various existing railway loan agreements, the above-mentioned Kirin-Changchun Railway Loan Agreement shall, if so desired by Japan, be further revised (Art. 7).	This demand was settled on the revision of the Kirin-Changchun Railway Loan Agreement.	Continues to exist.

III. Demands relating to the Han-

Species of Demands

Original Demands

12. The joint Japanese and Chinese management of the Company and the priority of Japanese in the disposition of its rights and property.

(Art. 1) The High Contracting Parties mutually agree that when the opportune moment arrives the Han-Yeh-Ping Company shall be made a joint concern of the two nations, and that, without the consent of the Japanese Government, the Chinese Government shall not dispose or permit the Company to dispose of any right or property of the Company

13. The priority of the Company in the working of mines in the neighbourhood of those owned by it.

(Art. 2) The Chinese Government engage that, as a necessary measure for protection of the vested interests of Japanese capitalists, no mines in the neighbourhood of those owned by the Han-Yeh-Ping Company shall be permitted, without the consent of the said Company, to be worked by anyone other than the said Company; and further that whenever it is proposed to take any other measure which may be likely to affect the interests of the said Company directly or indirectly, the consent of the said Company shall first be obtained.

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Yeh-Ping Company (Group III)

Demands Confirmed by Treaties or Otherwise	Subsequent Developments	Present Condition
Notes were exchanged between the Japanese and Chinese Governments to the effect that the Chinese Government would approve the agreement that might be concluded in future between the Han-Yeh-Ping Company and Japanese capitalists for its joint undertaking, and not confiscate it, nationalize it without the consent of the Japanese capitalists, or permit it to contract any foreign loan other than Japanese.		Continues to exist.
This demand was entirely withdrawn.		Ceased to exist.

IV. Proposal relating to the Non-Alienation or Coasts of China

Species of Proposal

Original Proposal

- | | |
|---|--|
| 14. The non-alienation or
lease of ports or bays
on, or islands off, the
coast of China. | The Chinese Government engage not to cede or
lease to any other Power any harbour or bay or
any island along the coast of China. |
|---|--|

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**Lease of Ports or Bays on, or Islands off, the
(Group IV)**

Proposal Confirmed by Treaties or Otherwise	Subsequent Development	Present Condition
On May 13, 1915, the Chinese Government made, of their own accord, by Presidential Decree a declaration to the same effect as the Japanese proposal.	This demand was virtually superseded by the Chinese declaration which is referred to when the subsequent developments of the Item 2 of the Group I, i.e. the non-alienation of the Province of Shantung, were related.	Ceased to exist.

V. Proposals relating to the Solution of

Species of Proposals	Original Proposals
15. Engagement of Japanese as political, financial and military advisers to the Central Government.	1. The Chinese Central Government to engage influential Japanese as political, financial and military advisers ;
16. The recognition of the right of owning land by Japanese hospitals, temples and schools in the interior of China.	2. The Chinese Government to grant the Japanese hospitals, temples and schools in the interior of China the right to own land ;
17. Matters concerning police.	3. In the face of many police disputes which have hitherto arisen between Japan and China ; causing no little annoyance, the police in localities (in China), where such arrangements are necessary, to be placed under joint Japanese and Chinese administration, or Japanese to be employed in police offices in such localities, so as to help at the same time the improvement of the Chinese Police Service ;
18. Matters concerning the supply of arms, etc.	4. China to obtain from Japan supply of a certain quantity of arms, or to establish an arsenal in China under joint Japanese and Chinese management and to be supplied with experts and materials from Japan ;

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Pending Questions, etc. (Group V)

Proposals Confirmed by Treaties or Otherwise

Subsequent Developments

Present Condition

Ceased to exist.

Ceased to exist.

On the occasion of the signing of the other Treaties and Notes, it was put on record that the discussion of the Proposals of Group V would be postponed for future negotiations.

At the Washington Conference, a declaration was made of the withdrawal of this reservation.

Ceased to exist.

Ceased to exist.

Species of Proposals

Original Proposals

- | | |
|--|---|
| 19. The construction of railways in South China. | 5. In order to help the development of the Nanchang-Kiukiang Railway, with which Japanese capitalists are so closely identified, and paying due regard to the negotiations which have for years been pending between Japan and China in relation to the railway question in South China, China to agree to give to Japan the right of constructing a railway to connect Wuchang with the Kiukiang-Nanchang line, and also the railways connecting Nanchang with Hangchow and with Chaochow respectively ; |
| 20. The priority of Japan in conducting various enterprises in the Province of Fukien. | 6. In view of the relations between the Province of Fukien and Formosa and of the agreement respecting the non-alienation of that province, Japan to be first consulted whenever foreign capital is needed in connection with the railways, mines and harbour works (including dockyards) in the Province of Fukien ; |
| 21. The right of Japanese to preach in China. | 7. China to grant to Japanese subject the right of preaching in China. |

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Proposals Confirmed by
Treaties or Otherwise

Subsequent
Developments

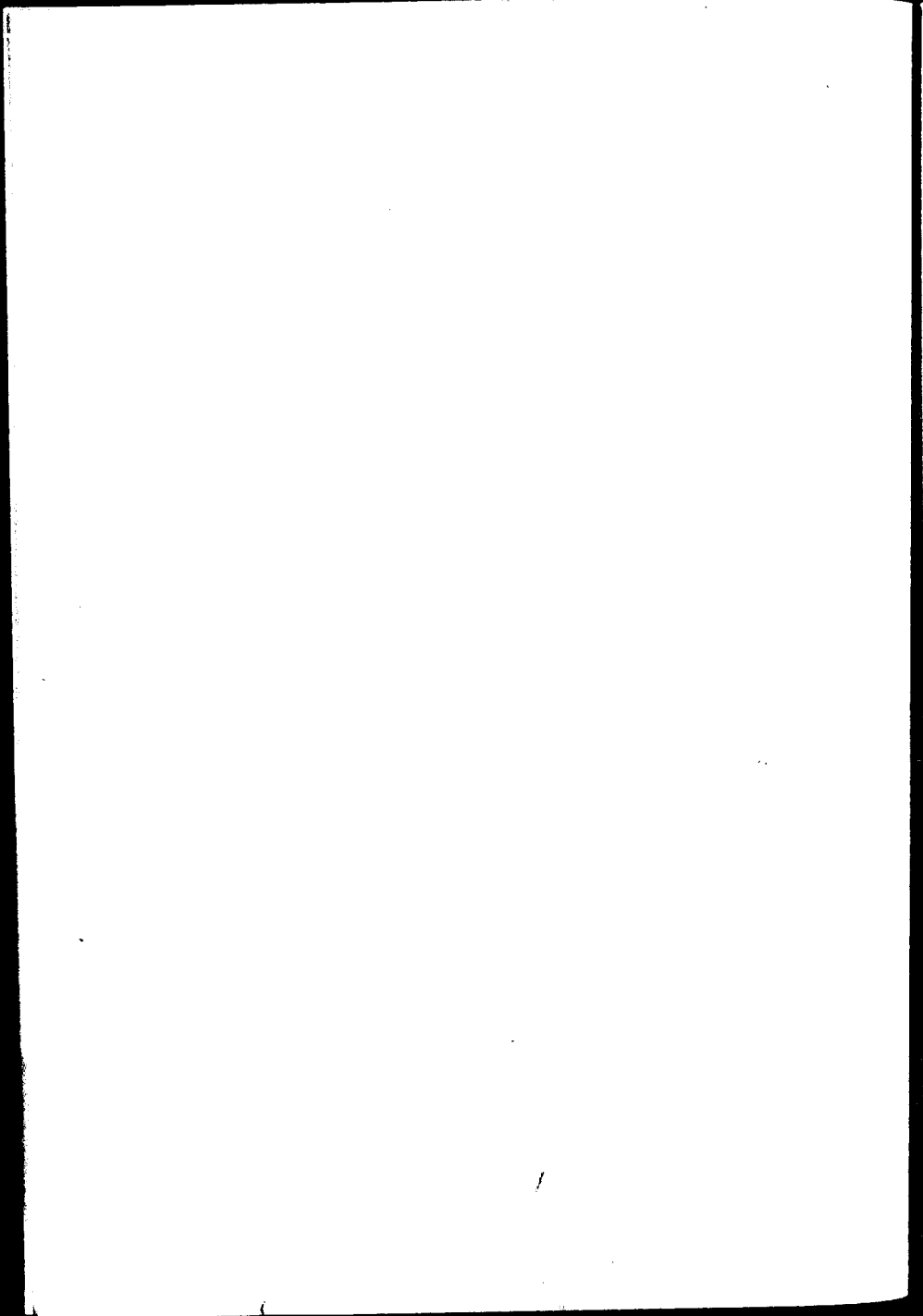
Present
Condition

Ceased to exist.

Ceased to exist.

See page 43

Ceased to exist.



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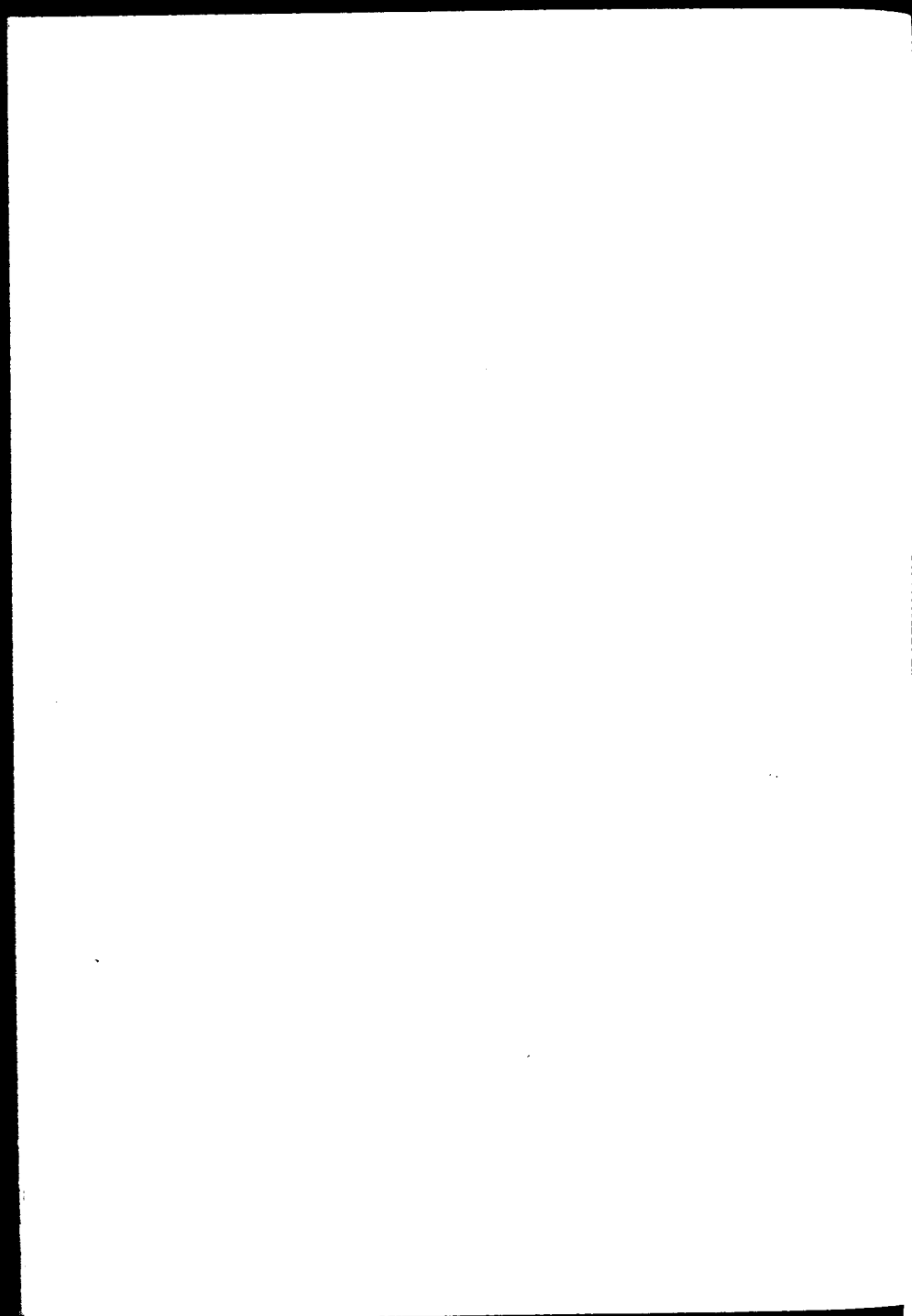
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APPENDIX A—5

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Anti-Foreign Education in China



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By Caum-Hogan JARS, 12-18-78

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ANTI-FOREIGN EDUCATION IN CHINA

CHAPTER I

The Policies of the National Government and the Nationalist Party with Respect to Anti-Foreign Education and the Enforcement Thereof

I. Introduction

1. In China, the National Government and the Nationalist Party frame the policies of national education and assume leadership in their realization.

Since the foundation of the Nationalist Party by the late Dr. Sun Yat-sen, the Party has made "government of the country by the Party" its basic policy. Under the motto "no party within or without the Party", it claims to be absolutely the sole political organization in the country. The National Government, therefore, is nothing more nor less than an administrative organ under the direction and supervision of the Party. Although, viewed externally, the former appears to be independent of the latter, it is, nevertheless, identical in substance and composition with the high council of the Party. Under these conditions, the principle and policies of education of the Government are to be regarded as those of the Party; but, at the same time, it must be said that, since all the political, economic and social measures that have hitherto been adopted by the Party have been evolved from the highest guiding principle which is based on the teachings and precepts bequeathed by Sun Yat-sen, the educational principle and policy are also the embodiments of those teachings and precepts.

2. Article 47 of the chapter on "Education of the Citizens", in the Provisional Constitution of the Republic of China (for the "Political

Tutelage Period”), promulgated on June 1, 1931, provides: “The Three Principles of the People shall be the basic principles of education in the Republic of China”. The Three Principles of the People as propounded by Sun Yat-sen refer to the so-called three constitutional and revolutionary principles, i.e., those of “Mintsu” (Race), “Minchüan” (Popular Rights) and “Minsheng” (Popular Livelihood), of which the first was purposed for the improvement of the “unequal” position of China in the comity of nations. According to his opinion, China has been reduced to the present semi-colonial state *vis-à-vis* the Powers, which he characterises as being very unequal internationally, because of the “Imperialistic” pressure brought to bear upon her by the Powers and of her conclusion of “unequal” treaties with them under duress, and it is essential to overthrow Imperialism and abrogate those treaties, in order to save China from ruin. As it is patent that the principle was founded on anti-foreignism, it is no wonder that an education that has been developed on the basis of such an idea is extremely anti-foreign.

3. The Three Principles of the People have, since they were propounded and propagated by Sun Yat-sen, constituted the highest guiding principles of the Nationalist Party, and believing that thorough diffusion of those principles among the people through the length and breadth of the country will be of enormous help in attaining the ends aimed at by the revolution, they have been making arduous efforts to instil them into the popular mind by making clear the Nationalist doctrines as well as by elucidating the Party’s various movements with the help and co-operation of the Government and local administrative organizations. It is clear, therefore, that, in virtue of the definition of the fundamental principle of national education in the above-mentioned Provisional Constitution, which is undoubtedly one of the results of the said propaganda and other movements, anti-foreign education has become an educational principle authorized by the Constitution.

II. *Educational Principle and Policies*

1. At the 13th session of the Third National Convention of 1929, the draft of the principle of education and the programme of its enforcement submitted to the Convention was passed unanimously.

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This was followed by the issue of an order by the Department of Education of the National Government to the educational authorities and schools in different *hsien* (districts) for the observance of the principle. The principle of education in question was declared to be based on the Three Principles of the People, and the programme of its enforcement consisted of basic rules to be followed in the conduct of education of various kinds and grades. Nothing in either principle or programme was explicitly designed to promote and encourage anti-foreign education. But, as above stated, the principle of education is rooted in the Three Principles and sets out to cause the people to take them as their gospel. Moreover, in view of the instructions contained in the order to the effect that students and pupils of schools of different kinds and grades should be thoroughly imbued with the true significance of the Chinese race through textbooks of history and geography, it is by no means difficult to see what education in China aims at. In accordance with Article 49 of the Provisional Constitution, viz.: "All public and private educational institutions in the country shall be subject to the supervision of the State, and shall also be responsible for the carrying out of the educational policies adopted by the State," the Nationalist Party and the Government authorities concerned are doing their best to perfect the revolution by spreading the Three Principles through public and private educational organs throughout the country.

2. Examination and observation of resolutions on education passed by the National Convention of the Nationalist Party and at other meetings, instructions issued by the Department of Education of the National Government, resolutions adopted by the National Educational Congress and other meetings of educators, orders or instructions given by the Central Executive Committee of the Party to its branches in provinces and cities, and the actual movements carried on by the members of the Party, school teachers and students disclose two distinct tendencies: (1) recovery of the right of education and (2) promotion of national moral education and political education. It is, therefore, safe to say that anti-foreign ideas lie in a greater or smaller degree at the root of all the actions taken by the Party and Chinese educators in the matter of education.

3. Prior to the World War, many schools under foreign management attained very satisfactory results in the education of the Chinese,

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3. Prior to the World War, many schools under foreign management attained very satisfactory results in the education of the Chinese,

but, with the rise of the mania for "Recovery of National Rights" after the War, the Chinese regarded the carrying on of education by foreigners as a cultural invasion. In 1924, Lo Chen-pang, chief of the educational section of the municipal government of Mukden, published his views on the recovery of the "right of education", which immediately found an echo in educational circles and have since greatly influenced public opinion. This, coupled with general anti-foreign movements, eventually caused the Party and the Government to issue "Regulations for the Control of Schools under the Management of Foreigners", "Private School Regulations", "Provisional Regulations for the Direction of Preaching by Foreigners", "Secret Regulations for Obstruction of the Entrance of Chinese Students into Japanese Public Schools", etc. Since then, recovery of the right of education has been and is one of the educational policies of the Nationalist Party and the National Government of China.

4. Moral education and political education on national basis are the logical outcome of the adoption of the Three Principles as the primary standard of education and reflect a policy of anti-foreign education, the aim of which is to induce students and pupils to believe that the overthrow of "Imperialism" and abrogation of "unequal" treaties concluded with the Powers will be instrumental in saving China and her people, thus abetting rancour and hatred against foreigners and fostering a sentiment of vengeance against "Imperialistic States". Both the Nationalist Party and the National Government are always doing their utmost to enforce this policy, as may be seen from the detailed description of their efforts on the following pages.

III. *Direction in the Enforcement of Educational Policy*

1. *Direction in the Recovery of the Right of Education*

a. As has been stated, the movement for the recovery of the right of education commenced under the stimulus of the "Recovery of Rights" fever that broke out subsequent to the termination of the World War. The argument put forward by enthusiasts for the recovery of the right of education is that the establishment and management by foreigners of

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schools and churches, as also schools attached to them, constitute cultural invasion of China by foreigners and that, since these institutions of education give Chinese youths an education that causes them to forget their ancestors and to become the slaves of foreign nations, they must be eliminated as far as possible. As, however, summary closing or removal of them is out of question, the Nationalist Party and the National Government are, as the first step, to exercise strict control over them with a view to hampering their development and to recovering the "right of education" by a gradual process.

b. For the realization of this policy, the Party and the Government, taking advantage of the fact that schools conducted by foreigners are all private ones, issued the "Private School Regulations", whereby they interfered with the educational principle of these schools and, further, stipulated that, in the case of the establishment of new schools, permission should be obtained from the authorities of the provinces or *hsien*. The Party and the Government also issued "Provisional Regulations" for control of the freedom of study in religious circles; secret instructions for the control of religious schools with a view to obstructing the spread of Christian education, preaching and missionary work; and regulations for the prevention of cultural invasion in order to obstruct the cultural work in China of foreign countries, especially Japan. Not content with the enforcement of these measures, they went so far as to issue a secret order prohibiting the entrance of Chinese boys and girls into Japanese schools in the Province of Liaoning (Fengtien).

c. These regulations, instructions and secret orders have been and are, for the most part, issued by the Department of Education of the National Government in conformity with the policy of the Central Council of the Nationalist Party. The Department of Education issues them to the boards of education in the provincial governments, which, in turn, forward them to the authorities of the governments of *hsien* and schools. At times, local authorities, such as those of the provincial or district governments, issue instructions or orders after conferring with members of the local branches of the Party or in compliance with the view of the latter. The Chinese authorities pretend to exercise uniform control over all the institutions of education conducted by foreigners, but, as schools carried on by the Japanese are far more numerous than those under the management of nationals of other foreign Powers

for the reason of geographical propinquity, the regulations in question are largely aimed at Japanese schools. In particular, there are many Japanese schools in South Manchuria because of the special relations between Japan and that region, and the authorities of the Mukden Government were accustomed to take drastic measures for the prevention or obstruction of the existence and development of Japanese educational facilities. Chinese educators in the Province of Liaoning who obeyed the instructions of the authorities urged the recovery of the "right of education", and "Draft Measures for Special Adjustment of Primary Schools in Each *Hsien* along the South Manchuria Railway Lines", "Draft Provisional Measures for the Recovery of the Right of Education" and "Draft Measures for the Recovery of Education in the Localities along the South Manchuria Railway Lines" were resolved upon and unanimously adopted at the "All-Province Educational Convention" held in Mukden under the auspices of the Board of Education of the Government of the Province of Liaoning in February, 1928. This fact indicates how serious was the anti-Japanese animus at that time, among the government authorities and of educators, not only of that province alone but of whole China.

2. Direction of Moral and Political Education on National Basis
(i.e. Anti-Foreign Education)

a. At the 160th meeting of the Standing Committee of the Central Executive Committee of the Nationalist Party, held in July, 1928, "Provisional Regulations for an Increase in the Lessons in Nationalist Doctrines in Schools of Various Grades" were adopted. Paragraph 8 provides that at least two hours a week should be devoted to the teaching of Nationalist doctrines, i.e., anti-foreign teaching, in all schools to enable the younger generation to get a complete grasp of the doctrines of the Nationalist Party. How the Nationalist Party and the National Government are directing education in all of its ramifications is described under the following paragraphs.

b. With reference to the school education:

(1) One of the manifestations of anti-foreign education in schools is

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the compilation of textbooks. Article 9 of the above-mentioned regulations concerning the education in Nationalist doctrines provides that "the lessons in Nationalist doctrines in schools of various grades shall be given in co-ordination with the teaching materials of the independence movement of the Chinese race, which materials have been selected and published by the Central Executive Committee of the Nationalist Party". Article 10 of the same regulations requires that "the textbooks of different kinds for the teaching of Nationalist doctrines shall be compiled and published after careful examination, following a conference of the Instruction Department of the Central Executive Committee with the Highest National Educational Administration Council". Thus, it is clearly laid down that the compilation and publication of these textbooks are to be exclusively placed in the hands of the Party. The nature of the policy pursued in their compilation may be gathered from the resolution passed by the National Educational Congress, which was convoked at Nanking by the Department of Education of the National Government in May, 1928, to the effect that abundant materials for teaching the so-called "National Humiliations" should be inserted in the textbooks used in schools of primary and middle grades. Actual observation also shows that the textbooks for teaching the Three Principles of the People, history and geography contain numerous lessons in "national humiliations", such as the pressure brought upon China by the Powers and the conclusion by China of "unequal" treaties, calculated to create and foster anti-foreign feelings. Moreover, teachers in these schools are supplied with manuals for their own use in which explanations and directions are circumstantially given regarding the actual teaching of these matters to their pupils. Reference may be made to the series of "Readers of the Three Principles of the People" for elementary and higher grades in primary schools, Readers of Geography and History, and Teachers' Manuals with explanatory notes on the Readers of Geography and History and of the Three Principles.

(2) In addition to the teaching of the Three Principles for at least two hours a week in different schools, as provided for in the said regulations for the teaching of Nationalist doctrines, endeavours have been and are being made to instil anti-foreign ideas into students and pupils in the lessons in national language, history, geography, composition, etc., not to mention the singing of "national humiliation" songs during

the lessons in music. Further, of late years, matters concerning China's relations with foreign countries or a history of the invasion of China by the Powers, particularly Japan, have been taught outside the regular curriculum. In November last year, the National Government issued instructions to all the schools in the country to give lessons in the history of the Japan's "Imperialistic" invasion of China several hours a week.

(3) What the Nationalist Party and the National Government set the greatest store by is the training of teachers. The principle of education and the programme of its enforcement adopted at the 13th session of the Third National Convention of 1929, already referred to, contain the following paragraph concerning normal school education:

"Normal school education is the basis of national education for the realization of the Three Principles of the People. For this reason, its primary object is to train teachers with the most wholesome qualifications in respect of public morality and learning in general by means of the most appropriate scientific education and the severest physical and mental training."

Although much of the above programme is yet to be realized, normal education is carried on in various provinces. In addition, the training of special teachers for teaching Nationalist doctrines is conducted by the Nationalist Party, in accordance with the regulations for the examination of such teachers, promulgated by the Department of Education of the National Government in December, 1928. In some districts, a teacher is chosen from among those of a primary school and a middle school for a month's study of the Three Principles, while, in other districts, no one is employed as a teacher unless he passes the examination provided for by the said regulations. In this manner, great pains are being taken for the training of able teachers for the teaching of the Three Principles, which is synonymous with anti-foreign education.

(4) It is usual with the authorities of the schools of different grades in China, although not so instructed by the Government or the Party, to give lectures on the anniversary of the death of Sun Yat-sen or on "national humiliation days," publish anti-foreign reading materials and supply them to pupils, prepare anti-foreign slogans, and instil the boycotting of foreign goods into their minds when purchasing

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school requisites.

c. With reference to the education of soldiers, special directors appointed by the Nationalist Party are continually endeavouring to instil Nationalist doctrines into the minds of soldiers and, on "national humiliation days", give special lectures for the cultivation of anti-foreign ideas. Since the Tsinan Incident of 1927, increased efforts have been made to foster anti-Japanese feeling among Chinese soldiers. It is generally known that, at one time, soldiers of a certain corps of General Feng Yu-hsiang's army stationed at Chengchow used even to substitute "Down with Japan" for "One, two, three" at gymnastic exercises.

Side by side with the education of soldiers, the Party is assiduously disseminating the Three Principles in the *Tungtse Iyung Chün* or the "Boy Scouts" of the Nationalist Party (organized in accordance with the general regulations concerning it, published by Ordinance No. 501 of the Department of Education in August, 1928), and also in such bodies as the students' volunteer corps. It is clearly understood that Articles 5 and 6 of the "Rules for the Training of Students' Volunteer Corps", enacted by the Department of Education of the National Government in October last year, are intended to accelerate the growth of anti-foreign, particularly anti-Japanese, sentiments.

d. In the matter of social education in general, with the co-operation of the central and local governments, the Nationalist Party, as the central organ, is instilling the Three Principles, or, in other words, anti-foreignism and anti-Japanism into the people, especially the younger generation. The Party is also propagating anti-foreign ideas by means of cinematographs, dramas, lectures, posters, slogans and literature of various descriptions.

CHAPTER II

Anti-Foreign Material in Textbooks for Chinese Schools

I. *Manner of Insertion of Anti-Foreign Material in Textbooks*

1. One cannot help noticing that much of the anti-foreign agitation, including the anti-Japanese agitation, in China at present is a direct growth from the anti-foreign material contained in the books used by pupils in the schools. This translation of theory into practice is made possible by the practical nature of the anti-foreign ideas contained in the textbooks and by the thoroughness with which they are taught. It must also be remembered that a tendency towards agitation in the Chinese national character, such as is now turned against foreigners and foreign nations, has been inbred by several thousand years of domestic strife.

2. The books now used for national education in China were originally authorized by the Department of Education of the National Government, which is almost synonymous with the Nationalist Party, after a careful scrutiny of those published and distributed throughout the country by the *Shangwu-Yinshukuan*, *Shichieh Shuchü*, *Kaiming Shuchü*, *Chunghua Shuchü*, *Tatung Shuchü*, *Minchih Shuchü* and other large publishing houses. Their contents are similar in that they are all instrumental in disseminating Sun Yat-sen's Three Principles of the People and include abundant anti-foreign material.

The policy behind the authorization of such schoolbooks had its origin in the decisions of the National Educational Conference convened at Nanking by the National Government in May, 1928. A declaration was passed, "urging that national education be carried on in accordance with the Three Principles of the People", and instructions were issued at the same time to all elementary and middle schools that particular

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attention be paid to "national humiliations", aiming thereby at arousing national feeling. To facilitate this work, it was decided at the conference that:

a. Abundant material concerning "national humiliations" be incorporated in schoolbooks,

b. Teachers be requested to take advantage of every opportunity to acquaint their pupils with as many facts as possible about the humiliations, making them ever mindful which nation is China's arch-enemy,

c. Tables illustrating "national humiliations" be prepared and kept on display so that the pupils may never forget those humiliations, and

d. Teachers and pupils be encouraged to study the most effective methods to overcome the said enemy nation.

3. There was a time when anti-foreign material was found mostly in books used in the higher schools, but recently it has been introduced into those for lower schools. More material of such description, in fact, is included in schoolbooks for the primary grades than in those for middle schools. This is in accordance with the policy of the National Government to instil anti-foreign sentiments into the minds of the people from the earliest stage of mental development.

The work is cleverly co-ordinated. In dealing with "economic oppression" in lessons in the Three Principles of the People, the pupils are shown the gains of foreigners and the losses of the Chinese. The same subject is taken up in lessons in arithmetic, and they are taught to calculate these losses. In practising penmanship again, they are told to write, in big characters, "Boycott Enemy Goods!", which they are taught to be a measure for coping with the economic oppression. The writing is made into posters and immediately put up for exhibition.

II. *Quantity of Anti-Foreign Material*

Anti-foreign material is incorporated into almost all schoolbooks, except those on such subjects as natural history and hygiene, and is most abundant in those on the Three Principles of the People and the Party doctrines. Those latter books contain compilations of lectures by Sun Yat-sen on the Three Principles, manifestoes of the Nationalist Party and other important declarations and resolutions. Many were published prior to October, 1931, and are now in use in all elementary

and middle schools. Still more are now in the press. Anti-foreign material is also found here and there throughout books used in teaching national language, history, geography, "general knowledge" and civics.

According to investigations made by the Educational Department of Haicheng-*hsien*, in Liaoning Province, anti-foreign material in the "New Age Readers" and thirteen others, all published by the Shangwu-Yinshukuan, is found in 62 lessons with titles such as "Alas for Our General!", "About Japan, a Country of Dwarfs", "A Picture Commemorating National Humiliation", etc.

There is more anti-foreign material in textbooks on the Three Principles of the People and on national language, used in the elementary and middle schools, than in those on such subjects as history and geography, used in the higher schools. The aim is apparently to implant anti-foreign ideas in the tender minds of the young rather than in the more rigid minds of older pupils. It is worthy of note that the dominant anti-foreign term, found in almost every schoolbook, is "Imperialism".

III. *Nature of Anti-Foreign Material*

Generally speaking, anti-foreign material in Chinese schoolbooks may be classified under the following three headings:

1. Oppression or invasion of China by the so-called Imperialistic nations,
2. Policies considered advisable to adopt against such oppression or invasion, and
3. Sympathy for the people of other countries who are agitating against the government of an alien race.

1. Regarding the oppression or invasion of China, it is declared in the textbooks that the nation's international position is inferior even to that of India, a British colony, for China is no better than a "sub-colony" and is constantly subjected to oppression by other Powers in a very painful manner. Three kinds of oppression are distinguished:

- a. Military and political oppression,
- b. Economic oppression, and
- c. Natural or "population" oppression.

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These are called the "three great calamities". A description of them and of policies proposed to combat them constitutes the bulk of the anti-foreign material in the textbooks.

a. Military and political oppression is itself subdivided under the headings, "Political oppression by the Powers", "Unequal treaties", "Lost territory", "Leased territories", and "Consular jurisdiction". Reference is made to ceded territories, leased territories and foreign settlements, the Shimonoseki Treaty concluded after the Sino-Japanese War, the Boxer Protocol, the Sino-Japanese negotiations of 1915, the so-called "Days in Commemoration of National Humiliations," Japan's aggression in Manchuria and Mongolia, the Paris Peace Conference, and the Tsinan Incident. Consular jurisdiction is declared unfair, and all schools and hospitals under foreign management are stigmatized as channels of "cultural invasion". Wherever possible, the blame is placed on Japan.

All of these subjects are handled in the schoolbooks in a manner which gives only the Chinese side; objective exposition of the facts is avoided. "The May 30th Affair and British Imperialism", for instance, is a chapter obviously designed to place the entire blame on Great Britain for the Nanking Road Incident of 1925. Great Britain is described as deliberately trampling upon a weaker race, confident of the strength of her own political and economic power (See Volume 6 of the Primary School Party Doctrines Reader). In a similar manner, most of the treaties concluded between China and other countries are declared "unequal", because signed under intimidation (See Lesson 13, Volume 4 of the New Age Three Principles of the People Reader for Higher Primary Schools). Korea, Formosa and the Loochoo Islands are said to have been swallowed up or stolen by Japan (See Lesson 14, Volume 3 of the New Doctrine—Three Principles of the People—Reader for Primary Schools). These statements are deliberately unjust, unreasonably blame other nations, and are solely intended to implant hatred towards them deeply in the minds of children.

b. Economic oppression is treated under such headings as "The cause of economic oppression," "Oppression grows year after year," "Foreign banks," etc. The treatise starts by stating that foreigners have acquired enormous profits through banking, customs, railways,

shipping and other business enterprises in Chinese territory, thus causing enormous losses to the Chinese, which is a point intended to appeal to the sense of businesslike calculation of the populace. This so-called economic oppression is ascribed to the apprehension felt by the other nations lest the Chinese revolutionaries should succeed in repelling foreign military and political influences. The Powers are accused of harbouring a sinister ambition to divide China by means of economic, rather than military, strength.

Six methods of such economic oppression are listed: (1) importation of foreign goods, (2) circulation of foreign bank notes, (3) exorbitant freight charges on Chinese exports, (4) raising of the land taxes and the value of land in the foreign settlements, (5) speculations, and (6) others—whereby, it is stated, China annually loses 1,200,000,000 dollars or more, and, if this oppression should be allowed to continue for another decade, will annually lose 2,000,000,000 dollars and the whole nation will be doomed to ruin (See Lessons 9 and 10, Volume 1 of the New Age Three Principles of the People Reader for Higher Primary Schools). Needless to say, a nation fostering anti-foreign education of this nature cannot but assume an anti-foreign attitude towards trade and commerce with other nations.

c. The subject of natural or "population" oppression is treated under the headings of "The 'population' oppression of the Powers" and "Japan's present situation, with special reference to her population". It is claimed that the Powers, compelled to seek increased acreage for their ever-growing populations, are trying so to populate China that they can eventually gain control of its territory (See Lesson 5 of the aforesaid reader). Japan is described as "a naturally aggressive nation", who, now that her emigrants have been denied entrance by America and Australia, is eager to turn China into her colony, into which her surplus population may enter, much to the detriment of that country, particularly Manchuria and Shantung (See Lesson 17, Volume 4 of New History Reader for Higher Schools). Throughout the lesson runs the false insinuation that Japan has sent large numbers of emigrants into China.

2. China is urged to adopt both passive and positive measures against the so-called foreign oppression. The positive policy is to be sought in the stirring up of national feeling and the inciting of the people

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to fight the Powers. The passive policy is identical with "non-co-operation," by which is meant refusal to work for foreigners, abstention from using foreign articles in order to encourage home industries, shunning of foreign bank-notes in favour of Chinese currency, and even enforcement of an economic boycott (See Lesson 12, Volume 1 of the New Age Three Principles of the People Reader).

These policies to combat foreign military and economic aggression are expressed by such slogans as "Abolition or cancellation of 'unequal' treaties", "Recovery of national right", "Customs autonomy", "Recovery of consular jurisdiction", and "Recovery of foreign settlements". These are accompanied by the oft-repeated slogan, "Down with Imperialism", to denote the desired goal. Nothing is said, however, of the historical fact that China herself brought about the present irksome conditions, or of the need for self-examination, or of a sound policy to attain a remedy. On the contrary, under the heading "Our responsibility", they declare "Abolition of all 'unequal' treaties is our responsibility", and "Let us by all means concentrate our efforts to this end" (See Lesson 11, Volume 2 of the New Age Three Principles of the People Reader for Primary Schools). This reader contains an illustration of a procession of little boys and girls, each holding a small flag emblazoned with the words "Abolition of Unequal Treaties". It is natural that these youngsters, when grown to full citizenship, will resort to such vainglorious demonstrations rather than rely on lawful procedure. That agitation for such anti-foreign measures to satisfy the self-seeking and one-sided wills of the Chinese is fostered by national education strikes everybody with horror when he thinks of the future possibility!

Children are brought to be acquainted with the measures to oppose foreign economic oppression in the first year of primary school, where it is taught that use of arms is not always necessary. Boycotting of their goods, say the textbooks, would be equally effective in resisting deception by and contempt of the Powers. It is urged that a flag with the words "Boycott Enemy Goods" be displayed at every shop and that posters with the phrase, "In this street, all the stores boycott enemy goods," be posted on the walls (See Lesson 10, Volume 1 of the New Age Three Principles of the People Reader for Primary Schools). Little children are taught of the need of resisting foreign economic

oppression and are told that the economic boycott, as adopted by Gandhi, would be a very powerful weapon for a weak nation to wield against the stronger. "A policy of non-co-operation", it is called.

As oppression from an influx of alien settlers is controlled by Nature, it alone would not necessarily affect the fortunes of the Chinese race immediately one way or the other, it is asserted, but such oppression is usually followed by political or economic oppression. Unless suitable measures against such oppression are studied now, the decline and fall not only of the State but even of the very race may follow (See Lesson 37, Volume 1 of the Three Principles of the People 1,000 Characters Book). In this manner is racialism or nationalism emphasized and the unity of the people is dwelt upon with great emphasis.

3. Passages in the textbooks inculcating special sympathy with races under alien rule and the necessity of encouraging them to start movements against their governments usually refer to territorial losses. Under the heading "Korea, a Lost Country", children are told of the processes whereby the country was annexed by Japan, and the insinuation is made that "since the inauguration of the Government-General, the treatment of the Koreans by Japan has become much severer". It is further alleged that the Koreans, animated by the spirit of racial unity, sent an emissary to the Paris Peace Conference to seek recovery of their sovereignty from Japan, an act which resulted only in many patriots losing their lives. The "patriotic deed of Yu Haisan" is commented on with admiration and appreciation, and a poem by him is quoted as an expression of his burning patriotism.

The section on Formosa refers to Chêng Chêng-kung whose mother was a Japanese called Tagawa, of Hirado, but who himself was a survivor of the fallen Ming Dynasty, struggling to restore the reign of that dynasty. His heroism in repelling the Dutch from Formosa and his fighting against the Manchu forces are praised. The passage ends with the following observation on the present condition: "When we think of Chêng Chêng-kung's painful struggle in those days, we cannot but feel sad that the once-restored island is now in the hands of the hated enemy nation" (See Lessons 1 and 2, Volume 2 of the New Age Reader for Primary Schools). In more advanced textbooks, reference is made to "the revolutionary movement in Formosa" in the following words: "The Formosans, exasperated by Japan's policy of discriminatory treatment,

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military oppression and obscurantism, have risen frequently in revolutionary movements, only to be subdued each time by the Japanese. They have never abandoned hope for final revolutionary success, as they are by nature a patient and persevering race". The motive is evidently to instigate the Formosans (See Lesson 16, Volume 4 of the New Geography for Higher Grades and Lesson 5, Volume 8 of the New China Reader and Lesson 6, Volume 5 of the New Age Reader for Higher Grades).

French Annam is discussed under the heading "Annam, a Lost Country". After the French deceived the Annamese, they made them a vanquished nation, say the schoolbooks, but some of the Annamese, anxious not to see their country remain vanquished, revolted. One of them, Yuan Shang-hsien, took refuge in China, where he wrote a popular song giving expression to his sorrow at being one of the conquered people. The passage is evidently intended to encourage the Annamese in their attempts to rise against France (See Lessons 45, 46, 47 and 48 of the New Age Reader for Elementary Grades).

In a section on British India, Gandhi's "non-co-operation" movement is lauded as a patriotic deed, justified by Great Britain's harsh treatment of his country and its people. "This sort of movement is very easy to carry on and yet very effectual", the textbook comments. The Chinese are thus profoundly sympathetic towards the revolutionary Hindus, suggesting that they themselves ought to follow their example (See Lesson 12, Volume 2 of the New Age Reader for Higher Grades).

In all of these passages, the Chinese educational policy advocates union of the weak races against the stronger races. "When little children combine against the grown-up", it is declared, "the former can overcome the latter; likewise, when the smaller and weaker races unite against the larger and stronger ones, the former can doubtless overthrow the latter" (See Lesson 9, Volume 1 of the New Age Three Principles of the People Reader). It is also declared that it is China's responsibility to help all the other weak nations of the earth. By uniting them to overthrow the stronger Powers, the whole world will be better administered. This is a plain declaration in favour of an international class-war and of a federation of weak races to oppose the stronger Powers (See Lesson 21, Volume 1 of the New China Three Principles of the People Reader for Higher Primary Schools).

IV. *Examples of Anti-Foreign Material*

1. The Story of Huang-ta (See Chapter 10, Volume 2 of the National Humiliation Readers).

"In a village called 'Eastern Asia' lives a man named Huang-ta (China), who is of good family and possesses wealth inherited from his forefathers. He is indolent, however, and incapable of administering his domestic affairs and always the loser in bargaining with other people. Though he regards himself as generous, others continually make a milch cow of him. As yet he is not quite bankrupt, but his expenditure exceeds his income by a large margin and his finances are becoming increasingly difficult to manage each year.

"One of Huang's tenants, Pai-erh (the Westerner), was very clever in business and made big profits. Conspiring with a lawyer on the pretext that one of Huang's servants had committed a crime, he one day wrongfully seized the house he had rented. The many brothers of Pai, perceiving that Huang was very easy to deceive, took a number of his other houses, offering all kinds of excuses for their actions. Pai, moreover, conspired with Huang's accountant and induced him secretly to embezzle jewelry and the title-deeds of mortgaged land.

"A distant relative of Huang, named Huang-chiu (Japan), who was in abject poverty, took advantage of the opportunity and also appropriated for himself a number of houses and lands that belonged to Huang.

"Huang is much cast down. His sons are still too young to understand anything, but our hopes of seeing this family revive lie in the future, when they will be fully grown."

Note:—It is clever allegories that will prepare the tender minds of Chinese children for anti-foreignism when they will have been grown up.

2. Abrogation of "Unequal" Treaties (See Lesson 7, Volume 8 of the New Age Three Principles of the People Readers for Elementary Grades).

The pupils' attention is directed in this lesson to the supposition that China's most pressing problem is to find some way to end foreign

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oppression. It is pointed out, for instance, that the Chinese have been forced to lease certain territories to foreigners; that the foreigners who ought to be prosecuted do not appear in Chinese Courts; and that the Chinese Customs are, against the will of China, under foreign control.

The lesson further asserts, among other things, that these conditions alone should be sufficient to prove that China is under foreign oppression for no better reason than "unequal" treaties, signed under duress. The first plank in the platform of the Nationalist Party is abrogation of "unequal" treaties.

3. The Chinese Revolution and Japan (See Lesson 9, Volume 8 of the New China General Knowledge Readers for Elementary Grades).

The lesson declares that since the Revolution of 1911 the militarists, whose administration is despotic, have secretly allied themselves with foreign Powers for selfish purposes. It is also insinuated that the Powers have used these Chinese militarists to acquire rights and interests in China. Japan, for instance, at the time of the advance of the Nationalist expedition to North China, sent troops to Shantung to hinder it. The only way to resist Japanese aggression, the lesson declares, is by "non-co-operation". In other words, China should supply Japan with nothing the Japanese may need and should reject whatever Japan offers. The lesson concludes by saying that such an economic boycott, if adhered to strictly, would eventually seal Japan's fate.

4. The Story of a Cunning Neighbour Child (See Lesson 9, Volume 1 of the National Humiliation Readers)

"My younger brother was playing joyfully in an open field with a very beautifully decorated ball (Korea). The naughty boy of our eastern neighbour (Japan) came over and wanted to play with him. While they were playing, the boy insisted that the ball should be their common property and refused to let my brother take it home. Before my poor brother could argue, the wicked boy kicked him and made him obey.

"The neighbour boy not only thus tried to rob my brother of his ball, but also said cunningly: 'Although I will not let you take this

ball home, neither will I make it mine.' So saying, he threw the ball on to the roof of his own house, and my brother had to return home sadly without it. A few days later, my brother met the neighbour boy holding in his hand the very ball that had been thrown on the roof."

5. Hate the Enemy! (See Lesson 2, Volume 2 of the New Doctrine—Three Principles of the People—Readers).

Chinese children are encouraged in this lesson to hate the enemy, that is to say, foreigners. "We are being oppressed by foreigners," it says. "Our land has been stolen by foreigners. Our property has been carried away by these robbers".

6. Song of National Humiliation (See Lesson 19, Volume 5 of the New Age Elementary School Readers).

"My dear good brothers, good sisters!
Stand up, all, to wipe out national humiliation.
Wipe national humiliations out.
You will need physical training;
With patience and effort, make your bodies healthy, your
thoughts noble,
With such training national humiliations may be wiped out.
Be revenged on your foes and you can call yourselves a brave
people".

Note:—This song is thoroughly explained in the first five lessons of the book. "National humiliations" imply the occupation by foreigners of Hongkong, Annam, Burma, Korea and Formosa; the Boxer Riots; the so-called 21 Demands; and the Nanking Road Incident. As the song follows a detailed account of these humiliations, it is considered to be the most effective material for use in primary school education.

7. The Songs Denouncing Imperialism.

A

1. "Overthrow! Overthrow!
Overthrow Imperialism!
Overthrow tyrannical Imperialism!
Overthrow! Overthrow!

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Quickly abrogate Imperialism,
Your political authority is already ineffectual.

2. "Overthrow! Overthrow!
Overthrow Imperialism!
Overthrow intriguing Imperialism!
Overthrow cunning Imperialism!
Overthrow! Overthrow!
Quickly abrogate Imperialism,
Your economic power is already extinct."

B

1. "We will knock you down and leave you powerless.
We will cast your rifles away.
We will hurl down your cannon.
We will trample on your ferocious hegemony.
We will brace our spirits in firm unity,
Fixing our mark and arousing our courage,
That we may overthrow Imperialism.
Overthrow! Overthrow!
Your political authority is already gone.
2. "We will abolish your exorbitant taxes.
We will break your banks.
We will cancel your credits.
We will sweep away your gold, silver and jewelry.
We will brace our spirits in firm unity.
We will overthrow Imperialism.
Overthrow! Overthrow!
Your economic power is already useless."

V. *Teachers' Manuals*

Most of the schoolbooks published so far are accompanied by manuals for the teachers, approved and authorized by the Department of Education of the National Government. Careful examination of those on the Three Principles of the People reveals an abundance of material explaining the essential points of each lesson, the method of instruction and practical application of the principles is illustrated towards the end. A detailed description is made of all anti-foreign materials, so that

the pupils cannot fail to be imbued with anti-foreign sentiments while being taught. The subject of lost territory, for instance, is to be taught with emphasis on its intellectual and moral aspects. On the intellectual side, the great danger of political oppression is to be shown, and cases of territorial loss are to be explained. On the moral side, the children are to be reminded of the necessity to recover lost territory and lost sovereignty, thus stimulating them to act. One of the teaching methods is to discuss territorial losses by means of a catechism. Pupils are also to write the following geographical names on the blackboard from time to time:

Weihaiwei	Heilungkiang (The Amur River)
Lüshun (Port Arthur)	Wusulikiang (The Ussuri River)
Dairen (Dalny)	Hongkong
Kowloon	Macao
Kwangchow-wan	The Loochoo Islands
Korea	Siam
Penghutao	Solu
(The Pescadores)	Java
Burma	Ceylon
Annam	Nepal
The Ili Valley	Bhutan
Khokand	

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CHAPTER III

Anti-Foreign Activities of School Teachers

I. *Co-operation between the "Renaissance" Movement and the Revolutionary Movement*

The so-called "Renaissance" movement, which was started in China about 1915 by Western-educated young men and women who sought "new" thoughts and led by Professor Hu Shih of the Peking University, had in the beginning the aim of replacing the classical style of writing with a new style based on the spoken language. This movement steadily gained ground and gradually allied itself with the revolutionary political movement of Young China. About 1919, after all publications on political subjects and schoolbooks had been re-written in the new style, the professors and students of the Peking University, with Professor Hu as the central figure, began to take an active part in political movements. The violent anti-Christian agitation, which subsequently broke out in various parts of China, was advocated and started by this group of radical thinkers. It was eagerly taken up by revolutionary politicians, under whose instigation hot-headed students furthered it with extreme violence. It is still fresh in the memory of many people that this movement brought considerable distress to foreign missionaries conducting mission schools in China.

The anti-Christian movement, however, did not last long, for shortly after its start appeared a more pressing cause, which diverted the attention of the agitators. This was the turn the Shantung problem appeared to take at the Paris Conference of 1919 in favour of Japan disregarding China's contentions. Thereupon, the professors and students of the Peking University started an anti-Japanese agitation by enlisting the co-operation of student bodies throughout the country, with the result that a general boycott of Japanese goods and the so-called May 4th Affair took place. Since that time, the professors and students of the Peking University have continued their activities in political affairs,

supported by revolutionary politicians. Since 1923, the influence of Soviet Russia gradually took hold of the minds of the intellectual class of China, and the Peking University assumed the aspects of a fountain-head of revolutionary social and political movements, rather than those of a seat of learning.

II. *Policy of Thorough Diffusion of the Three Principles of the People among the Chinese Adopted by the Nationalist Party and Its Effect on Professors and Teachers*

This affiliation of education to politics, with the increased influence of the Nationalist Party, greatly facilitated the latter in the propagation of Sun Yat-sen's Three Principles of the People, and gave rise to the tendency to think that the chief object of education is the teaching of Nationalist doctrines and that professors and teachers must be members of the Party. In consequence, there are not a few instances in which men with small qualification in respect of personality and proficiency have been appointed principals or professors merely for political reasons, resulting in internal troubles in the schools wherein they have been installed.

In 1928, the *Ta-hsueh Yuan* (the present Department of Education) convened at Nanking a National Educational Conference, and at this conference it was decided that education in all institutions of learning, from the primary schools up to universities, should in the future be conducted on the basis of the Three Principles of the People, in order that the national revolution should be thoroughly accomplished. In conformity with this resolution, the Central Executive Committee of the Party drew up, at its third session, the "Fundamental Programme for the Enforcement of the Three Principles of the People," consisting of 8 chapters and 175 articles, and promulgated it under date of September 3rd, 1931. This programme provides general principles to be observed in giving education of various descriptions, the more noteworthy of these principles being: (1) emphatic diffusion of the Three Principles of the People; (2) inauguration of military training; (3) conduct of education in line with the Nationalist doctrines; (4) adoption of the term "Save the country", and (5) special attention to be paid in the selec-

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tion of teaching materials. Of the fifth, the following are mentioned as matters requiring special attention: (a) facts concerning "Imperialistic" aggression in China; (b) relations between colonial enterprises of the Powers and Chinese residents in foreign colonies; (c) relations between the Japanese aggression southward and the livelihood of Chinese residents in the regions affected, and (d) the bearing of the Three Principles of the People on the weaker nations of the world. All these unmistakably show that great importance is attached to the anti-foreign and anti-Japanese teaching in the education of the rising generation of China. Even before this fundamental educational programme had been published, many anti-foreign and anti-Japanese instructions were issued to school faculties, and the headquarters of the Nationalist Party interfered in the appointment of teachers in order to place all schools under their control. Accordingly, all schools have been implanting anti-foreign and anti-Japanese prejudices under the pretext of teaching the Three Principles of the People, as may be seen from the following instances:

1. In May, 1928, the local headquarters of the Nationalist Party at Amoy held a short class, lasting one month, attended by one teacher from each local primary and intermediate school, for the purpose of disseminating the Three Principles of the People as well as training the teachers in giving instruction in matters concerning the Party. The teachers trained in this class afterwards instilled anti-Japanese feeling into their pupils under the guise of explaining the Three Principles of the People.

2. Teachers of the primary schools in Licheng-hsien, Shantung Province, have been and are teaching the children in their charge to recite every morning the following catechism, which is contained in a manual distributed among the teachers by the local government authorities after the Tsinan Incident:

- a. Of what nationality are you?
I am a Chinese.
- b. In what province were you born?
I was born in Shantung Province.
- c. Do you love Shantung?
Yes, I do.
- d. Do you love China?
Yes, I do.

- e. Who is the greatest enemy of Shantung?
The greatest enemy of Shantung is Japan.
- f. Who formerly owned Korea, Formosa and the Loochoo Islands?
China formerly owned them.
- g. In what province are Port Arthur and Dairen located?
They are in Fengtien Province.
- h. Who robbed us of these two places?
Japan robbed us of them.
- i. Who tried to ruin our country by presenting the 21 Demands?
Japan tried to.
- j. Who occupies Tsingtao and controls the Kiaochow-Tsinan Railway?
The Japanese do.
- k. Do you know that Japan has long conspired to occupy Shantung and the Three Eastern Provinces?
Yes, I know.
- l. Recently Japanese killed thousands of our brothers and sisters in connection with the Tsinan Incident. Have you forgotten it?
No, I shall never forget it.
- m. Japanese are committing robberies and assaulting our women in Tsinan. Do you not feel indignant?
Yes, I feel indignant.
- n. What must we do against such aggression on China?
We must chastise Japan.
- o. In what ways can we chastise Japan?
By studying our lessons hard and accomplishing the revolution.
- p. Is there any other way?
Yes, there is. I swear that I shall never buy Japanese goods, nor sell food to Japanese even at the cost of my life.
- q. Is your idea of chastising Japan a temporary fit of passion or one coming out of a firm and lasting determination?
Ours is a firm and lasting determination.
- r. What is the population of Japan?
It is only sixty million.
- s. What is the population of China as compared with that of Japan?

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Ours is several times larger.

- t. What is the area of China compared with that of Japan?
China is more than twenty times as big as Japan in area.
- u. Japan is then small in population and area. Are you still afraid of her?
No, I am not afraid of her.
- v. It falls upon you to chastise Japan and wipe out the disgrace she has inflicted upon China. Do you understand?

Yes, I understand and shall never forget it even for a moment.

3. At a conference of the teachers of primary schools, convened at Mukden in June, 1931, by the Board of Trustees of the Educational Fund for the Primary and Intermediate Schools of Fengtien Province (The fund was donated by Chang Hsueh-liang in November, 1928), a plan for teaching the Three Principles of the People was drawn up. In this plan, under the title of "Political Aggression by the Imperialists", teachers are required, while instructing their pupils, to bear in mind that "political aggression covers the 'unequal' treaties forced upon China by foreign Powers, by means of threatening displays of powerful guns or by conspiring with Chinese military leaders and politicians, and that these 'unequal' treaties must therefore be abrogated".

4. Since about 1930 it has been a general rule that every school must have on its teaching staff one or more members of the Nationalist Party who have passed the examination conducted by the National Government. At Wuhu and several other places, teachers qualified to conduct compulsory education are confined to those who have passed the examination in the teaching of the Three Principles of the People and who are also members of the Nationalist Party. In this way, the ideas and thoughts of the leaders of the Party immediately influence education throughout the country; and, in connection with the teaching of the Three Principles of the People, anti-foreign and anti-Japanese notions are impressed upon young minds. This kind of education has been most intensively given at Shanghai, Changsha, Mukden, Liaoyang, Licheng-hsien (Shantung Province), and Soochow.

From what has been so far related, it will easily be seen to what extent the Nationalist Party intervenes in education in China, how teachers are appointed from among its members or those who are only too willing to obey instructions from the Party, and how these teachers

have pushed their anti-foreign and anti-Japanese programme to the extreme. Under these circumstances, it is not surprising that thousands upon thousands of hot-headed young Chinese have joined the anti-foreign and anti-Japanese movements, entirely neglectful of their studies, and that the receptive minds of millions of children have been inoculated with a very harmful anti-foreign spirit.

III. *General Principle of Anti-Japanese Education*

How then is anti-Japanese education spread in China? This question is best answered by the following "General Principle for Anti-Japanese Education," which was forwarded early in 1929 to primary schools in Shanghai by the local headquarters of the Nationalist Party and the Anti-Japanese Association, with instructions to conduct education in accordance with it. It is the most typical of all the similar plans which are being carried into effect in various places.

(1) *Methods for Giving Anti-Japanese Education*

- (a) Composition: Children shall be required to write anti-Japanese essays and verses.
- (b) Penmanship: Children shall be required to copy anti-Japanese slogans.
- (c) Drawing: Children shall be required to draw pictures representing atrocities committed by Japanese and tragic scenes at Tsinan.
- (d) Geography: Children shall be taught about territory lost to China, special emphasis being laid on Shantung, Manchuria and Mongolia.
- (e) Arithmetic: Figures denoting the number of the Japanese in China, the amount of Japanese investments therein, and the statistics of Japan's trade with China shall be made use of.
- (f) National language: This subject shall be taught with references to historical facts, showing Japan's aggressive policies against China.
- (g) Commerce: Children shall be taught about Japan's influence in China's markets, and statistics showing Japan's trade with China

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shall be studied.

(h) History: Children shall be taught historical facts of Japan's aggression on China.

(i) The Three Principles of the People: Children shall be taught how to deal with and crush Japanese Imperialism.

(2) Materials for Anti-Japanese Teaching

(a) Factors Contributing to Japan's Aggression on China:

- (1) Political factor—the influence of militarists in politics
- (2) Economic factor—the lack of raw materials
- (3) Natural factor—the menace of earthquakes and excessive population

(b) Japan's Policy of Aggression on China

- (1) International co-operation
- (2) The Anglo-Japanese Alliance
- (3) The Russo-Japanese Secret Agreement
- (4) Japan's so-called Eastern Conference
- (5) Port Arthur Conference

(c) History of Japan's Aggression on China

- (1) Absorption of the Loochoo Islands, Formosa, and Korea
- (2) The Sino-Japanese War
- (3) The Russo-Japanese War
- (4) Seizure of Tsingtao
- (5) Twenty-one Demands
- (6) Interference in domestic politics
- (7) Dispatch of troops to Manchuria in 1922
- (8) Dispatch of troops to Shantung in 1928
- (9) The Tsinan Incident
- (10) Dispatch of troops to Manchuria and Mongolia as well as to the Peiping-Tientsin district

(d) Japan's Influence in China

- (1) Economic influence: right of navigation on inland waters,

right of constructing railways, and the present condition of trade and capital investments.

(2) Political influence: extraterritoriality, leasing of land, concessions, and other special rights.

(e) Counter-measures to be taken against Japan, for example: severance of economic relations with Japan, encouragement of the use of domestic products, revolutionary diplomacy and military preparedness.

(3) Reference Books.

Compendium of International Treaties, History of the National Humiliations of China, History of Modern Diplomacy, History of Sino-Japanese Negotiations, Brief History of Racial Movements of China, History of Japan, Year Books, Eastern Magazines, Treatise on Japan, Unequal Treaties, and Diplomacy Series.

IV. *Actual Condition of Anti-Foreign, and Especially Anti-Japanese, Education in Schools*

As already stated, teachers at the beck and call of the Nationalist Party or the National Government have been and are carrying on anti-foreign, and especially anti-Japanese, education. Here are illustrations of how it is actually carried on:

1. Observance of the National Humiliation Day:

May 9th is the day set apart by the National Government as the National Humiliation Day to perpetuate simultaneously memories of the May 9th Affair and other so-called national humiliations, which were formerly commemorated separately. The observance is aimed against Japan and several other foreign nations which China calls Imperialistic Powers. On this day, a lecture lasting one hour is given in each school, followed by a silent prayer for five minutes to keep alive anti-foreign feeling in the minds of the pupils. Formerly no lessons were given on this day, which the pupils devoted to demonstrations or other similar functions; but after 1929, in order to avoid attracting the attention of foreigners, the day was observed only within school grounds.

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2. Lecture on the Three Principles of the People:

At every school, once a week, generally on Monday, a lecture or debate on the Three Principles of People is held following prayer in silence. On this occasion, diplomatic questions are discussed in a manner to arouse anti-foreign sentiments among the pupils.

3. Exhibition of Anti-Foreign Slogans and Tables Showing National Humiliations:

From time to time each school offers prizes for anti-foreign slogans composed by the pupils, and those judged best are exhibited together with those supplied by the headquarters of the Nationalist Party and the Government authorities. The following are specimens of the slogans which were exhibited in the intermediate and primary schools of Linfuhshien during June, 1931:

- a. Down with Imperialism.
- b. Don't forget our national disgrace of May 30th.
- c. It is our mission and duty to wipe out our national disgrace.
- d. All should unite to abolish "unequal" treaties.
- e. Imperialists are our common enemy.

Furthermore, a table showing China's national humiliations is displayed in a conspicuous spot and explained to pupils at every available opportunity. This table bears the legend "Don't forget our national disgrace" and tells of the Hankow Affair of January 1, 1927, and 24 other "affairs" in which China considers herself to have been humiliated. As many as eight nations are cited as offenders.

4. Exhibition of Anti-Foreign Drawings and Writings:

Drawings by pupils representing anti-foreign subjects are also displayed at a place reserved for posting notices. Most of these show Chinese in a cangue or in agony in the coils of a foreign serpent. In the hour given to penmanship, pupils are made to copy characters and phrases expressing hatred toward foreigners, and the better specimens are exhibited.

5. Extra Lectures or Instruction:

Primary and intermediate schools at Hankow are using a weekly paper entitled the "Anti-Japanese Weekly", which is published by the local anti-Japanese organization, for supplemental reading. In many schools, a book dealing with things Japanese, published by a Chinese association formed at Shanghai for the study of things Japanese, is used as a textbook, with a view to keeping students well posted on conditions in Japan so that they may be better prepared for future activities against her. Some schools, especially universities, following instructions from the National Government, besides studying the general history of foreign aggression on China, have lately commenced courses in Japanese or have been giving special lectures on Japan's aggression on China. The North-Eastern University of Mukden was a typical example in this respect.

6. Direction of Students' Anti-Japanese Activities:

School authorities in Amoy allow the pupils to buy and use goods coming from Great Britain, Russia, Italy and other countries besides home-made goods, but prohibit them from using Japanese goods, which they declare to have come from China's enemy country. Specimens of goods permitted and those under ban are on display. In June, 1931, the head of a primary school at Fênghuangchêng, after a stirring anti-Japanese lecture to the pupils, warned them under severe penalty against attending shows in the local Japanese settlement and posted a number of pupils at entrances to the settlement to prevent the other children from going.

7. Besides the above-mentioned activities directed against foreign nations, particularly against Japan, anti-foreign propaganda is persistently and adroitly carried on in schools throughout the country, making good use of teaching material, songs and so forth which are distributed among them from time to time. In Chêkiang Province, the Government authorities are reported to have adopted a fiery anti-foreign song, which was composed and set to music by the Government Academy of Music at Shanghai, to be sung by students and pupils on various occasions.

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V. *Anti-Japanese Activities of Teachers
outside School*

At the end of 1928, when Chiang Kai-shek and Chang Hsueh-liang joined hands and the new flag of the National Government was hoisted in the walled city of Mukden for the first time, the Educational Society of Mukden and the Federation of Teachers' Associations of Fengtien Province were among the first to send congratulatory telegrams to Nanking. At each school a portrait of Sun Yat-sen and a copy of the teachings and precepts bequeathed by him were posted for students and pupils to worship. By such means, connections were speedily established between the teachers in Manchuria and the Nationalist Party, as was the case in Canton and other places. The teachers immediately united with the Party and at once took an active part in the Party's movements for the overthrow of foreign "Imperialism" and for the recovery of rights. A professor of a certain university at Mukden affiliated himself to local anti-foreign organizations, and delivered numerous anti-foreign lectures, while the president of another university organized a student corps which took part in the fighting with the Russians which followed on the heels of China's seizure of the Chinese Eastern Railway. "The recovery of the right of education" and "the prevention of cultural invasion" are two favourite slogans of these professors and teachers. In many instances, they prevented Chinese students from entering schools under Japanese management and discriminated against the Chinese who were educated in Japanese schools. At the Conference of Teachers in Liaoning Province, held at Mukden in February, 1927, a resolution was passed aiming at recovery of the "right of education" with a view to gaining control of the schools under foreign management in the South Manchuria Railway Zone and other localities. The conference also passed a resolution to work for prevention of political, economic and cultural invasion by foreign nations, making use of anti-foreign as well as anti-Japanese teaching material.

Upon the outbreak of the Manchurian Incident the students of the universities in Manchuria and North China immediately organized an "Anti-Japanese Patriotic Association", abandoned their school work, delivered extravagant speeches, and often resorted to violence. Not

only did the professors and teachers fail to restrain these recalcitrant students, but they endeavoured to gain their popularity by holding various conferences and passing resolutions such as "to petition the Central Government to make effective preparations for a war against Japan", "to adhere strictly and eternally to all the regulations laid down for making the severance of economic relations with Japan effective", and "to distribute fire-arms among the student volunteer corps" (in this regard a teachers' conference held at Peiping is a good example.) Subsequently, on October 8, 1931, a "Second General Conference of Teachers in Shanghai" was held, at which a resolution was passed that the teachers throughout the country should be urged to organize anti-Japanese patriotic associations. The following "general plan for the direction and guidance of anti-Japanese movements" and "concrete measures for realizing the complete severance of economic relations with Japan", which were submitted to the conference by the executive committee, were adopted. Another federation of teachers organized at Peiping also passed similar resolutions.

*General Plan for the Direction and Guidance of
Anti-Japanese Patriotic Movements*

1. In conducting anti-Japanese patriotic movements, one should have an understanding of the following matters:
 - a. Japan's continental policy of active invasion of Manchuria and Mongolia,
 - b. Causes that drive Japan to invade China,
 - c. History of Japan's invasion of China,
 - d. Present status of Japan's invasion of the north-eastern regions of China,
 - e. Geographical situation of the north-eastern regions of China, and
 - f. Present condition of Japan.
2. In conducting anti-Japanese patriotic movements, one should have a firm determination:
 - a. To wipe out national disgrace and save the country with

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wisdom, courage, loyalty, and sincerity, even at the risk of one's life,

- b. To make the obliteration of national disgrace and vengeance the aims of one's efforts towards the severance of relations with Japan,
- c. To further non-co-operation with Japan and severance of economic relations with her,
- d. To foster a painstaking, laborious, indefatigable, and un-failing spirit,
- e. To pursue one's studies whole-heartedly to save the country, and
- f. To possess a firm will to train and elevate one's spirit and character.

3. In conducting anti-Japanese patriotic movements, one should adopt the following measures:

a. In regard to military training:

- (1) Student volunteer corps and boy volunteer groups shall be organized in each school in accordance with the general plan for the training of volunteer organizations prescribed by the Central Government,
- (2) The physique of pupils shall be improved through military training,
- (3) Girls shall be trained as nurses, telegraph operators, etc.,
- (4) A central organ shall be organized by the federation of schools to unify discipline and training,
- (5) Volunteers shall strictly obey the disciplinary rules, and
- (6) Each member of a volunteer organization shall at all times wear on his left arm a blue brassard with eight Chinese characters in white, meaning unity, strenuous efforts, wiping out national disgrace and saving the country;

b. In regard to severance of economic relations with Japan:

- (1) Everyone, from the teachers and pupils down to the servants of a school, shall be prohibited from using Japanese goods,

- (2) Teachers and pupils shall urge their families, relatives and friends never to use Japanese goods,
 - (3) Trade marks and brands of Japanese goods shall be made known to the public, so that all may boycott these goods,
 - (4) Investigations of the actual condition of home industries shall be made,
 - (5) Teachers and pupils shall solemnly pledge themselves to use domestic goods,
 - (6) Investigations of trade marks and brands of domestic goods shall be made, and
 - (7) The public shall be urged to use domestic goods;
- c. The following matters shall be studied :
- (1) Japanese problems and international relations,
 - (2) Problems of Manchuria and Mongolia and Japan's policy of continental invasion,
 - (3) National defence, topographical features and military strength,
 - (4) Measures for making the severance of economic relations with Japan thoroughly effective, and
 - (5) Practical methods for encouraging the use of domestic goods; and
- d. In regard to propaganda :
- (1) Efforts shall be made to expedite unity and peace at home, so that a united front may be presented to resist foreign aggression, to wipe out national disgrace, and to take vengeance on enemy Powers,
 - (2) The Government shall be urged to proclaim severance of economic relations with Japan,
 - (3) The Government shall be petitioned to give attention to national defence and to make plans for sending troops to recover territory occupied by enemy Powers,
 - (4) The people shall be urged to unite in supporting the Government in opposing Japan,
 - (5) Efforts shall be made for international propaganda to make foreign nations acquainted with the truth about the

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actual situation,

(6) Teachers and pupils shall organize anti-Japanese patriotic propaganda parties in squads of five to deliver open air speeches,

(7) The masses shall be taught to consider Japan their life-long and greatest enemy, and

(8) The masses shall be called upon to pledge themselves to the work of blotting out national disgrace and saving the country, despite all manner of hardships, even at the risk of life.

From the foregoing account it may be seen that those who are engaged in education, including university professors as well as teachers of primary and intermediate schools, are actively working with the avowed intention of leading the students and the people at large to more violent anti-Japanese movements without giving thought to the serious results that may arise from their activities. It may also be seen that in their contentions and claims they have in view the interests of only their own country and do not pay the slightest attention to the rights and interests of other nations whom they consider enemies of their country. In fact, they are taking an attitude of hostility against foreign nations, placing themselves on a pedestal, from where they look down on others with prejudice and enmity. It is to be deeply regretted for the sake of China that these men, who are in a position to mould the moral ideas of the students and the people at large should be so busily engaged in the work of bringing serious disasters upon their country neglectful of their task of building up high moral ideals and only seek to cater to the whims of the radical Government and the hot-headed students.

CHAPTER IV

Anti-Foreign Agitation by Students

I. *Origin*

The origin of anti-foreign sentiment and agitation in China can be traced back to ancient times, and the terms, "Nanman", "Tung-i", "Peiti", and "Hsiijung" (Southern, Eastern, Northern and Western Barbarians), that have, since olden times, been used to denote foreigners, may be regarded as evidence of a general antipathy against them. Coming to recent years, however, it was in the *Tatsu Maru* Incident of 1908 that Chinese anti-foreignism came to a head. At that time, Chinese students, including girls, attempted to arouse popular feeling against Japan through a "National Humiliation Meeting" and other gatherings. Later, in 1909, when the question of the reconstruction of the Antung-Mukden Railway was at issue, a number of Chinese students in Japan returned home as a protest against the policy adopted by the Japanese Government. Many of them took an active hand in initiating anti-Japanese demonstrations. Subsequent to the Sino-Japanese negotiations of 1915, Yuan Shih-kai took credit to himself for having succeeded in limiting to a certain extent the "excessive" demands of Japan, issued a secret decree ordering anti-Japanese agitation throughout the country, and tried to use this situation for the realization of his ambition of establishing an imperial *régime* with himself as Emperor. As a result, anti-Japanese agitation spread not only through the length and breadth of China, but also into various places overseas where Chinese had settled. In Japan, Chinese students organized the "Association for the Encouragement of the Use of Chinese Goods", and those who advocated war against Japan, the "Patriotic Savings Society".

Shortly after Yuan Shih-kai's death, students who had become politically "self-conscious" thanks to persistent agitation by politicians, launched what they called the "May 4th Movement" directed against

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Japan, which culminated in setting fire to the residences of various dignitaries of the Peking Government on May 9th, 1919.

Under such condition of social unrest, the notorious "Vladivostock Declaration," published in the name of M. Karakhan in the latter part of August, 1919, gave added impetus to the anti-foreign movement, and stimulated revolutionary ideas among the young Chinese students. The pledge, embodied in that declaration, regarding the repudiation of "unequal" treaties and the denunciation of capitalistic States, proved a tempting bait to the students of China, and Soviet Russia and her new institutions became the object of their admiration. The movement advocating revolution in literature, in social structure and in home life spread all over the country, tearing down the bulwark of established moral ideas and opening the way to a flood of anti-religious and labour agitation and class-war. Students deserted their class-rooms to be engulfed in the political maelstrom.

While internecine warfare continued between the Chihli and the An-fu factions (the latter being affiliated to the Mukden faction), the Nine-Power Treaty was concluded at Washington. This treaty raised false hope in the minds of the Chinese people for the recovery of national rights,—a hope utterly inconsistent with the actual state of affairs in the country. The patriotic movement gained in strength and gradually became a movement for the restitution of Port Arthur and Dairen. Students advocating a rupture of economic relations with Japan organized pickets, who visited shops and searched for Japanese goods in order to prevent their sale. They also maltreated Japanese school boys and girls and attacked Japanese shops, with the result that Japanese residents in Hunan were compelled to leave the province.

After Sun Yat-sen adopted, in January, 1924, the policy of co-operating with the Communists, the labour movement steadily made way in all the principal cities of China. The Chinese Federation of Labour was founded in Shanghai. In May, 1925, Chinese workmen in the employ of the Naigai Cotton Spinning Mill, a Japanese concern in that city, went on strike. This soon developed into a general sympathetic strike of Chinese workmen in Shanghai. Students lost no time in joining this movement and, under the direction of the Nationalist Party, clamoured for the downfall of Imperialism, the boycott of British and Japanese goods, the recovery of Chinese customs autonomy

and the abolition of consular jurisdiction, culminating in the Incident of May 30th, in which the police of the Shanghai Municipality were forced to fire on Chinese students, killing eleven of them.

II. *The Reactionary Policy of the Peking Government*

It was quite in the order of things that the authorities of the Peking Government, who had stirred up agitation by students with a view to attaining their own political ends, should suffer when the agitation passed beyond their control, and they endeavoured to damp it down. Instructions issued by Mr. Liu Che, then Minister of Education and President of the Peking Normal College, to the faculty and students of the college, in September, 1917, show that the Government adopted an educational policy intended to make students attend strictly to their own affairs and to refrain from any extravagant conduct. After pointing out that, for some years past, the political situation had been unsettled, and young, hot-blooded students who could not have any clear insight into affairs had been made use of by others, with the consequence that, since 1919, the evil of student participation in political movements had become increasingly noticeable, Mr. Liu went on to prohibit students from taking any part in political strife, and admonished them to desist from using such violent language as "non-co-operation", "opposition", and "overthrow", and urged them to devote themselves to conform with the object of national education—the training of high-principled and talented persons. It appears, however, that these efforts were rewarded with no enduring result, for the students' anti-foreign movement, which Sun Yat-sen utilized in his conflict with the militarists, rapidly spread all over China, following the successful northward march of the Nationalist Army.

III. *The Students' Anti-Foreign Movement Subsequent to the Establishment of the National Government at Nanking*

After the outbreak of the Tsinan Incident in 1928, the object of agitation by students decidedly shifted from Great Britain to Japan. The introduction of lessons in the Three Principles of the

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People, in particular, lessons in Nationalist doctrines, into the school curricula, caused the students, whose anti-foreign ideas had been stimulated by lessons in anti-foreignism given, and anti-foreign educational materials furnished by their instructors, to put those ideas into practice, so that their anti-foreign movements grew unprecedentedly intense. Imbued with Nationalist doctrines which embodied, among other things, chauvinistic conceptions and revolutionary diplomatic aspirations, such as the recovery of national rights and the abolition of "unequal" treaties, and with their animosity against foreigners fanned by their teachers with anti-foreign, especially anti-Japanese, textbooks, the Chinese students, who have a natural predilection for anarchy and disorder rather than for discipline and assiduous study, now openly joined political movements, posing as politicians.

The students in intermediate schools, colleges and universities organized students' associations and federations, which were affiliated to, and co-operated with, the central and provincial as well as municipal headquarters of the Nationalist Party, and with such organizations as the "Association of the Supporters of Diplomatic Policies", the "Anti-Japanese Patriotic Association", the "Anti-Japanese Federation", and the "National Association for the Promotion of General Knowledge". Thus anti-Japanese sentiments permeated the Chinese people both at home and abroad, and, from the outbreak of the Tsinan Incident in the spring of 1928 and the subsequent occurrence of a large number of similar unfortunate events to the destruction of the South Manchuria Railway tracks at Liutiaokou near Mukden, following the atrocious murder of Captain Nakamura and his party and the Wanpaoshan Incident, the anti-Japanese agitation carried on by students continued unabated and unchecked. The order issued by the National Government in the early days of its establishment, to wit: "We should make it a principle not to give our enemy an incentive for hostile preparations by any display of enmity on our part," was speedily ignored and the agitation continued to be carried on systematically and drastically.

The external phases of these anti-foreign activities on the part of students may be roughly described as follows:—

- (a) A great demonstration on every National Humiliation Day.
- (b) Demonstrations in conjunction with the Nationalist Party, the Anti-Japanese Patriotic Association, the Anti-Japanese Federation,

the Association of the Supporters of Diplomatic Policies, and the National Association for the Promotion of General Knowledge.

(c) Continual demonstrations directed against Japan.

(d) The organization in each school, college and university of several propaganda parties and the delivery of propaganda lectures at all important spots in and around cities and towns.

(e) Military training at all schools for two to four hours in the afternoon.

(f) Organization of self-defence and volunteers' corps, some boy and girl students even going the length of organizing "storm units" and relief squads respectively.

(g) Application to the Government for the loan of guns and for the dispatch of high officers to undertake the direction of the military training of students and for the inspection of the student volunteers on fixed days.

(h) Giving lectures on military matters and the laying of systematic anti-Japanese plans.

(i) Petitions to the Government not to accept Japan's proposal for the opening of negotiations before the withdrawal of all the Japanese forces from China.

(j) Petitions to the Government for the abolition of "unequal" treaties.

(k) The dispatch of telegraphic appeals to the Nanking Government for the immediate severance of diplomatic relations with Japan, and visits *en masse* to the offices of the Government to intimidate the officials; petitions to the Government to make warlike preparations in an effective manner in anticipation of the failure of the League of Nations to control Japan.

(l) Outrages committed, and minatory acts directed at frequent intervals, against certain high officials of the Government, which resulted in the resignation of the Foreign Minister and others.

(m) Printing and distributing anti-foreign and anti-Japanese handbills.

(n) The issue of orders to hoist national flags at half-mast.

(o) Threatening demands upon shopkeepers generally to post the anti-Japanese slogans supplied.

(p) Dispatch of recommendations to small and weak nations all

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over the world urging them to start anti-foreign movements in concert with the Chinese.

(q) Dispatch of "paper bullets", one of which is entitled "A letter addressed to the Japanese populace".

(r) Establishment of penalties to be meted out to those who do not attend anti-Japanese students' meetings as, for instance, the removal from the school register of the names of those who had failed to attend these meetings four times in succession, and the organization of pickets for the purpose of punishing those not showing themselves zealous in the anti-Japanese movement.

(s) Advocacy of use by students of home made articles, particularly of clothing made in China, thereby instilling into the people the necessity of the boycott of Japanese goods.

(t) The organization of military chemical corps in certain schools, for the study of the methods of manufacturing poison gases, gas-masks as well as other protective devices, and of special corps for the study of field telegraphs, telephones and wireless.

It is to be noted in this connection that the Nanking Government is entirely powerless to restrain political agitation carried on by students, so that the latter have become increasingly lawless and audacious till a state of "student terrorism" has been created. Furthermore, the political forces in China that oppose the Nanking Government, such as the Right and Left Wings of the Canton Government, the Conservative Nationalists, the An-fu Faction, and the Communists, are behind the organizations of student and instigate them to commit outrage and create disturbances, sometimes even through bribery, thus aggravating their corruptness and licentiousness. Such being the case, it is no wonder if they will degenerate into "student bandits".

IV. *Instances of Anti-Foreign Activities of Students*

1. Programme for the Training of Student Volunteers.

The programme, consisting of nine paragraphs for the training of student volunteers, published by the Central Executive Committee of the Nationalist Party at the end of October, 1931, under the slogan:

“Persevere and Save Your Country from Humiliations,” may seem to be extreme, but it contains nothing more than what had long been in practice in China. The paragraphs having a direct bearing on the anti-foreign agitation are as follows:—

Paragraph 1. Every institution of learning in China not lower in grade than a higher middle school shall organize a young men's volunteer corps, and every middle or primary school, a boys' volunteer corps. All these volunteers shall undergo military training, observe the Three Principles of the People and pledge themselves to be loyal and faithful in their endeavours to regenerate the Chinese nation, to clear it of humiliation and to save the country.

- (1) Every volunteer shall defend the Republic at the cost of his life.
- (2) Every volunteer shall strictly observe all rules and regulations.
- (3) Every volunteer shall cultivate the habit of self-control and shall live a communal life.
- (4) Every volunteer shall give assistance to others and render service to the public at all times and places.

Paragraph 3. All schools shall enforce the following rules in imparting instruction to students and pupils:

- (1) Importance shall be attached to the teaching of the history and geography of China; special care shall be exercised in the teaching of diplomatic history and geography as connected with national defence; and particular attention shall be paid to the explanation of the encroachments of Japan on China.
- (2) Girl students, who are unable to enlist in volunteer corps, shall give special attention to physical training and shall foster the habit of enduring hardships and be taught nursing and relief work in time of war.
- (3) Care shall be exercised in giving instructions in literature and art to inspire students and pupils with a spirit of national pride and of valour; and the teaching of subjects referring to tender feeling and other matters which are calculated to cause their degeneration and enfeeblement is absolutely prohibited.

Paragraph 5. Both teachers and students shall pledge themselves not to buy any Japanese merchandise. They shall study the industrial

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processes for the manufacture of substitutes for Japanese goods and do their utmost to propagate various means whereby Japanese goods can be dispensed with.

Paragraph 6. Students shall, as far as their school work permits, endeavour to organize propaganda parties in accordance with the principles embodied in the present programme and shall do their best to instigate popular movements against Japan.

2. Anti-Japanese Activities of Students in Mukden.

In the summer of 1929, the Mukden National Diplomatic Society issued orders to students concerning their anti-Japanese activities during the summer vacation and urged them, among other things, (1) to co-operate in preventing traitorous acts, and in arresting traitors, (2) to keep a vigilant watch on those who secretly attempt to sell land to foreigners, (3) to prevent any loss of national rights and any form of national humiliation, (4) to co-operate effectively in carrying on the boycott of the enemy's goods, (5) to prevent merchants from stocking such goods, (6) to prevent the Chinese from buying such goods, (7) to endeavour to detect, and report on, barbarous and aggressive acts perpetrated by Japan, (8) to destroy Japanese newspapers, which are the vanguards of Japanese invasion, (9) to destroy Japanese bank-notes, and (10) to investigate the organization of the Japanese police and keep a watch on their activities.

3. The Strike of the Students of the Kwantung Normal School.

In April, 1929, the students of the Kwantung Normal School went on strike. When the authorities of the school told them to provide themselves with flasks and bags at their own expense, they entered a strong protest with the authorities, saying that, since their school expenses were borne by the Government of Kwantung, those articles should be supplied to them by the school. They struck with the object of bringing about the resignation of Mr. Takahashi, the principal. Before their departure for home, money to pay their travelling expenses was handed them by the monitors and vice-monitors of their respective classes. Letters which they received from certain Chinese educators revealed that they were morally and materially backed by anti-foreign agitators.

4. Report Sent to the Japanese Government by the Kwantung Government on Strikes by Chinese Students.

In a report sent to the Japanese Government, the authorities of the Kwantung Government, after describing in detail the strikes of Chinese students at the Shahoko Public School and the South Manchuria Middle School in Mukden, made the following conclusive remarks:

"It is not very far from the truth to state that most of the anti-Japanese agitators in China to-day have been educated in Japan. They may be likened to those who enjoy the hospitality of a home as its guests, and then rob their host of his weapons and defy him. It is indeed lamentable that all the moral and material endeavours of Japan for the cultural development of Manchuria and Mongolia should be rewarded only with anti-Japanese agitation."

5. Mass Meeting Held at Amoy in Commemoration of the Tsinan Incident.

In May, 1930, a mass meeting in commemoration of the Tsinan Incident was held at Amoy with much success. The members of the municipal headquarters of the Nationalist Party, students and pupils of the local schools and many others, attended it. On that occasion, the slogans that were posted on the pillars of the speaker's platform were: "Abolish all unequal treaties", "Down with Japanese Imperialists", "Let us avenge the wrongs newly done to us and wipe out old disgraces", "Let us do all we can to maintain our independence and increase our national power", "Severance of economic relations with Japan is the sole means of punishing her for her aggressive policy", and "Carry on the anti-Japanese movement so as to put a stop to the Imperialistic ambition and wanton acts of Japan". Several impassioned speeches denouncing Japan for her alleged Imperialistic ambitions were delivered by demagogues and students.

6. Mass Meeting Held at Canton in Commemoration of the Tsinan Incident.

In May, 1930, a mass meeting was held at Canton to commemorate the Tsinan Incident. It was attended by members of the Nationalist Party and students and proved to be a success. After inflammatory

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harangues made by the leaders, all present shouted together, "Do not forget the special humiliation suffered on the occasion of the May 30th Affair", "The spirits of the martyrs in the May 30th Affair will never perish", "Down with Japanese Imperialism, which has been guilty of the atrocious murder of our fellow-countrymen", and "Carry out a revolutionary diplomatic policy against Japan and abolish all unequal treaties".

7. Meeting Held at Nanking on the Anniversary of the May 4th Incident.

In May, 1930, a mass meeting was held at Nanking by members of the Nationalist Party and students, on the 11th anniversary of the May 4th Incident, and the slogans adopted on that occasion were: (1) "The 4th of May Movement is identical with the students' revolutionary movement", (2) "The 4th of May Movement is identical with a revolutionary movement conducted in accordance with the Three Principles of the People", (3) "Let us promote the revolutionary spirit displayed by the 4th of May Movement", (4) "Every student should aspire to be a constructive unit", and (5) "Defend the National Government and abolish all unequal treaties".

8. Utterances of Chinese Cadets in Japan.

In the spring of 1931, 23 Chinese cadets were allotted to the 7th Division at Asahikawa, Hokkaido, but soon after the outbreak of the Manchurian Affair, they left for home. Some of their utterances during their stay in Japan deserve notice. They said that Manchuria and Mongolia were parts of Chinese territory and unless China could establish full control over those regions, a second World War would be inevitable, because of the intrigues of America behind the scenes; that, even if China threw down the gauntlet, Japan would not take it up for fear of America; and that, inasmuch as Chinese troops had of recent years been engaged in actual fighting and subjected to constant training, they were confident of gaining a victory over the Japanese in the event of the two countries going to war.

9. Declaration by Chinese Students in Japan.

The following statement was found in the concluding passages of a declaration made in the form of a poster by the "Association of Chinese

Students in Japan" on the occasion of its inauguration:—

"We declare that our fellow-countrymen and students will stand together, and will not stop until the Japanese Imperialists abandon their special rights and interests in Manchuria and Mongolia, and relinquish all unequal treaties existing between China and Japan".

Another declaration made by the same association says, after forecasting a conspicuous growth of foreign encroachments upon China, which is in a semi-colonial state as a result of the impasse reached by capitalism:

"The Treaty for the Outlawry of War is a symbol of the Imperialism which sucks our people's blood; permanent peace does no more than provide armour for Imperialism; and, although the Imperialists hide themselves behind their sign-board, the Anti-War Pact, they continue local conflicts and compete with one another in the acquisition of rights and interests in China, and will certainly bring about a second World War in the end".

10. Declaration Made by Chinese Students Remaining in Japan.

Immediately after the outbreak of the Manchurian Incident, a number of Chinese students in Japan returned home, but the majority of them continue to stay here without being molested in any way whatsoever. The following declaration which was made in the name of "Chinese students temporarily staying in Japan" is worth noticing, since it contains the following insidious statement:

"Although the Japanese were able to collect in China all the materials which served to prove China's malicious activities in instigating anti-Japanese feeling, we have discovered very little suited for our purpose in the reading matter prepared for Japanese juveniles and in other publications. We will, therefore, strive to collect such literature as testifies to Japanese hatred of China, and other important materials, and send them home that they may be translated into Chinese and other languages for distribution among the people of the world in order to unmask the sinister designs of Japan. At the same time, we will inquire into every phase of the actual state of affairs and of the march of social events and report our findings to the Government from time to time. We stay here on purpose; why should we hurriedly leave here empty-handed?"

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CHAPTER V

Anti-Foreign Adult Education

I. Newspapers

As an instrument of social education or adult education in China, the most important rôle is played by newspapers. Among the Chinese daily and weekly newspapers, there is scarcely one which disseminates reports and makes comments on current topics from an independent and impartial point of view, nearly all of them being the mouthpiece of some party, faction or individual. This is because a newspaper cannot subsist on the revenue obtained from subscription and advertisements, and it has of necessity to become the organ of a political organization or of an individual in order to ensure financial support. According to investigations made in 1925, the newspapers of China totalled 403 in number, of which those published in Chinese accounted for 326, nearly all of which were the organs of political organizations or of individuals. In 1926, there were 37 newspapers in Peking: of these, 7 were organs of the Government or of different Ministries, 6 of the Independents, 1 of the Chihli faction, 1 of the *Waichiao* or Diplomatic faction, 2 of the party of ex-officials of the Ministry of Communications, 1 of the An-fu faction, 1 of the old party of ex-officials of the Ministry of Communications, 2 of the Nationalist Party, 1 of the Paoting faction, 1 of the Tientsin faction, 1 of the Communists, 1 of the Constitutionalists, 1 of Chang Shao-tseng and his followers, 1 of the Peking Chamber of Commerce, and 1 of the Nationalist army, and there were five others which were conducted as money-making enterprises. In the same year, there were in Shanghai 13 newspapers, which were divided into 1 each of the *Yen-chiu* faction, the Progressionists, the Mukden faction, the Society for the Study of Political Questions, the Chihli faction, Chi Hsieh-yuan and his followers, and Lu Yung-hsiang and his followers, and 2 each of the An-fu faction, the Nationalist Party,

and the Independents. Under such conditions, it is of course impossible to expect genuine and judicious reports and criticisms from the Chinese press.

Conditions in Chinese journalistic circles change as the political situation changes, and, accordingly, the newspapers change their patrons and supporters. The *Peiching Chingpao*, for instance, has, since its inception, often altered its affiliation to various parties and cliques, being controlled in turn by the party led by Wang Shih-chen, the Chihli faction, the party led by Hsu Shih-chang, that of Feng Yu-hsiang, the Shanhsi faction, the party of Ho Cheng-chun, etc. In 1928, when the Shanhsi faction seized political power in Tientsin, the *Taiwu Shih Pao* and other newspapers were employed as its organs; but, in 1930, when the Mukdenites superseded the said faction there, they immediately disappeared or moved over to a foreign concession. Later, in September that year, after the departure of Yen Hsi-shan from Peiping, eight newspapers, namely, the *Hsin Chenpao*, *Hua Pao*, *Minchu Jihpao*, *Shin-min Jihpao*, *Minyen Jihpao*, *Shehui Wanpao*, *Peiping Jihpao*, and *Shinmin Jihpao* (English edition), discontinued publication, or were suspended; while five others, namely, the *Peiping Chenpao*, *Huapei Jihpao*, *Minkuo Jihpao*, *Peiping Taopao*, and *Hsinping Jihpao*, were either established afresh or revived.

The basic policy of "party government" of the Nationalist Party, pursued by the National Government, is reflected in the strict control they exercise over speeches and publications. Consequently, many influential newspapers are compelled to affiliate themselves closely to the governments, central or local, or to be subsidized by them or directly by the Nationalist Party. This being the case, it may be said that nearly all Chinese newspapers are "mercenary organs" and constitute a "kept press."

From ancient times, the Chinese have been known as a people who take particular delight in bombastic and quixotic rhetoric, as is evidenced by the fact that the expression, "To speak of a needle as though it were a big stick," and the line from a poem by the celebrated Li Po, "Thirty thousand feet long is my hoary hair," have long been proverbial in China. It is quite natural, therefore, that the Chinese should easily overstep the limits of reality in describing actual facts. The habit of exaggeration is deeply ingrained in their nature.

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As soon as the Central Government seriously begins to strengthen and improve its position at home by instigating and intensifying anti-foreign agitation on the part of all parties and associations by means of a propaganda campaign carried on under such slogans as "Overthrow Imperialism" and "Abolish unequal treaties", and through the promotion of anti-foreign education based on nationalistic principles, the newspapers devote all available space to the printing of articles and reports full of anti-foreign, and particularly anti-Japanese, sentiments. It was, and is, customary with them, whenever an untoward international incident occurs, to lay the blame on the foreign country concerned, whilst asserting the complete innocence of China. In other words, being too self-centred to inquire into the position and claims of the other party or parties concerned and to pass fair and unbiased judgment on any matter at issue, they consider it only worth while to attack other countries, and thus greatly obstruct the growth of good international understanding and concord. In view of this racial characteristic of the Chinese, it is not surprising that a recurrence of anti-foreign disturbances and conflicts with foreign countries, such as the Opium War and the Boxer Riots, has been witnessed at frequent intervals in China. The foregoing remarks apply with equal force to Chinese news agencies and the news supplied by them.

II. *Magazines*

The following is a list of Chinese magazines in North China in 1926:—

- (a) Socialistic (4 were socialistic and 30 communistic, all advocating anti-foreign, labour and agrarian movements)..... 34
- (b) Sun Yat-senist 7
- (c) Nationalistic 11
- (d) Reactionary 4
- (e) Anarchistic 7
- (f) Anti-Communistic 6

Magazines in Central and South China are classified according to their colouring as follows:—

(a) Communistic	27
(b) National-Socialistic	2
(c) Sun Yat-senist	7
(d) Anarchistic	12
(e) Nationalistic	2
(f) Scientific and religious	6

While putting forward views on internal administration and politics, these magazines are intent upon disseminating anti-foreign ideas. One of them is devoted to the study of Japan and things Japanese as well as to anti-Japanese agitation. There are also anti-foreign and anti-Japanese periodicals such as the *Revolutionary Diplomacy*, the *Social Journal*, the *Current Monthly*, and the *North-Eastern Review*.

III. Books

The causes of the rise of the anti-Japanese tendency and of contempt for Japan among the Chinese since the Washington Conference are, in the final analysis, traceable to (1) their belief in the possibility of foreign intervention against Japan, especially in the shape of a war-like conflict between Japan and the United States; (2) their hasty conclusion that class-war in Japan would usher in the dislocation from within of her social structure which, contrary to their impression, is actually unparalleled elsewhere in point of unity and solidarity; and (3) their gross delusion concerning their own national power. These thoughts, warped by self-interest and self-conceit, have been clearly expressed in books written by the intellectual leaders of China. Special attention must be called to two fabricated documents entitled "The Memorial Addressed to the Throne by Baron Tanaka, Prime Minister", and "The Minutes of a Secret Council Held in the Department of Overseas Affairs relating to the Safeguarding of the Special Rights and Interests of Japan in Manchuria and Mongolia." Thousands upon thousands of copies of these forged papers have been printed in various parts of China for extensive distribution, and all the Chinese officials in high and responsible positions have treated them as genuine. It need scarcely be said that such malignant anti-Japanese propaganda must have a very serious effect, when one takes into account the mass instinct and its quick response to suggestion.

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IV. Cinematograph

In the autumn of 1931, the Government of Fukien Province transmitted to the governors of *hsien* (districts) in that province, certain instructions from the National Government at Nanking by order of the latter. The instructions concern the utilization of cinematographs in the promotion of anti-foreign education and run (in part) as follows:—

“ . . . For this reason, you are requested to order every cinema hall in the district under your jurisdiction to project on the screen as many films as possible, showing national humiliations, army life and scientific and patriotic adventures, with the object of arousing popular feeling and inculcating a state of mind appropriate to these days of national crisis. All cinema halls should be considered to be national property and should be second to none in patriotic service. Moreover, as this class of film is welcomed by the people and show a good profit to the cinema halls, we are convinced that they will heartily obey your orders and carry them out. We hereby transmit to you these instructions from the Central Government, and you will issue an order to the proprietors of cinema halls within your jurisdiction and see that they faithfully carry it into effect”.

V. Anti-Japanese Education in the Chinese Army

A. Anti-Japanism as the Guiding Principle of Moral Education of Soldiers.

In China, after the Revolution and in the first part of the Republican *régime*, the military leaders were without a definite objective in instilling a martial spirit into officers and men, so that they tried to keep up the *morale* of the troops by enlarging upon patriotism, the meaning of which was only vaguely understood by the rabble soldiers, who were pawns of the militarists in their partisan strife. But, subsequently to the establishment of the Three Principles of the People propounded by Sun Yat-sen as the loadstar of the Revolution, particularly after the Whampoo Cadet School began to instil into the cadets the idea of the “recovery of national rights” on the basis of Nationalism

in classes on political matters, the objective of moral education in the Chinese Army became definite and substantial, and, with the advance of the Nationalists into the Yangtse Valley, the slogan, the "recovery of national rights", constituted the corner-stone of moral education of soldiers in China. At first, vehement anti-British agitation was carried on in South China and in the Yangtse Valley, but, once its object had been practically accomplished, Japan became the target of Chinese hatred and acrimony and was also regarded as a potential enemy by the Chinese military leaders who adopted anti-Japanism as the slogan for the moral training of soldiers.

B. Instances of Anti-Japanese Military Education in China.

The manner in which anti-Japanese sentiments were fostered and the importance attached to anti-Japanism among the troops differ according to the political parties and factions to which the men belong, as may be seen from the following instances:—

(1) The delivery of lectures is the means commonly resorted to. Generally, a weekly lecture is given to the officers and men of a unit every Monday, and other lectures and instruction at other times. On these occasions, the lecturers usually dwell on the alleged encroachments of Japan on China in order to evoke the hatred of the audience against the Japanese. It is well known that Marshal Chiang Kai-shek, Commander-in-Chief, and General Liu Chih used to stir up the fighting spirit of the officers and men by declaring their readiness to fight Japan.

(2) According to personal observations made by a Japanese military officer over a long period of time in the spring of 1929, anti-Japanism was taught among the troops under the command of General Feng Yu-hsiang, popularly known by the sobriquet, "The Christian General," in the following manner:

(a) Morning Muster.

Every morning, the soldiers of the different corps under his command were mustered immediately after they turned out. This gathering, in the course of which they took oaths, answered the roll-call and listened to a lecture, was started by the declamation by the commander of each unit of General Feng's admonition, a translation of which

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follows:—

“Our country is on the brink of ruin. Unless we do our utmost, we shall be turned into slaves with no country of our own. Our race is on the verge of extinction. Unless we fight at the sacrifice of our lives, our race will be lost. We are a great nation of 400,000,000 people; but we suffer humiliations at the hands of small nations with a population which is incomparably smaller than ours. We are like children, dogs or pigs. Should we still bear humiliations and remain idle?”

The following is a part of the catechism used for oath-taking at the muster:

Questions:	Answers:
To what country did Formosa and Korea belong?	They belonged to China.
What country occupies them now?	They are now occupied by the Japanese devils.
Is that a humiliation for us or not?	That is the most unbearable humiliation.
Is it not necessary to recover them by some means or other?	It is necessary to recover them by some means or other.
Are we not under an obligation to our ancestors to recover them?	Yes, certainly we are.

Each time the commander asked one of these questions, the soldiers chanted the answer in chorus. Further, he was accustomed to make use of such violent language as “Let us destroy Japan within the next three years, or die in the attempt!” (This applies to all commanders of units). Then, he raised his right hand and shouted, “Curses on the Japanese devil!”—an example which was followed by all present, and it was usual that the meeting came to a close with the cry, “Down with Japan”, by which time the animosity of the soldiers against Japan was thoroughly aroused.

(b) When at gymnastic exercises and at other times when the usual count “One, two, three” was to be made, the soldiers cried “Down with Japan”. Particularly, when the Japanese officer met them on the march, they shouted this slogan in his face by way of showing their enmity and contempt towards Japan.

(3) War-Songs.

The commanders of some Chinese brigades and regiments have composed war-songs full of words extremely antagonistic to and abusive of Japan and have made the soldiers sing them at every available opportunity. The troops under command of General Feng have, it appears, made full use of songs of this kind for the inculcation of anti-Japanism.

(4) Anti-Japanese Slogans and Pictures.

At the entrances to the barracks or parade-grounds, anti-Japanese slogans or pictures are displayed with a view to fanning the hatred of the soldiers against Japan and their contempt for the Japanese. Among certain troops stationed at Soochow on the lower reaches of the Yangtse, prizes were offered to the soldiers for composing suitable anti-Japanese slogans, and those who did well were promoted to officers.

Further, a Japanese military officer observed that, on the walls of the barracks and of the buildings of the various schools belonging to the Fengtien army, there were posted, to subserve the moral education of the officers and men, printed matter bearing such phrases as "Any nation that deals with us in accordance with aggressive principles is our enemy, whom we must destroy at the cost of our blood", and "We should pledge ourselves to cleanse the nation of humiliation", as well as national humiliation maps, marking Formosa, Korea and the Loochoo Islands as belonging to China in the past.

C. Effects of Anti-Japanese Education.

We have given only a few instances of anti-Japanese education of soldiers. There may be more that have been personally witnessed by Japanese military officers. In any case, the effects of such an education on the Chinese soldiers are indeed remarkable. Towards the end of August, 1931, a high officer of the Mukden army remarked to a Japanese officer, "Of late, the young Chinese who insist that we should fight Japan and sweep away her influence from the North-eastern regions of China have increased in number, and we find it extremely difficult to restrain them." He also declared, "Of recent years, the majority of the Japanese officers and men have had no experience in

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actual warfare, whereas the Chinese soldiers have, for the most part, been trained for actual fighting thanks to the constant civil wars. For this reason, the young Chinese officers and men are very high-spirited and have great confidence in their own efficiency and strength."

These derogatory remarks against the Japanese Army were often heard in North and Central China, and the instruction of the Chinese troops, which are composed of ignorant rogues and vagrants, and sadly lack discipline and order, in anti-Japanism and contempt for the Japanese, resulted in the outbreak of anti-Japanese disturbances and in the occurrence of a great number of acts of violence and lawlessness against the Japanese in different parts of China, culminating in the present unfortunate Manchurian and Shanghai affairs.

VI. *Anti-Foreignism Entertained by Communistic Elements;
 Spread of Communism in China*

The Chinese Communists rapidly gained in influence and power upon their affiliation with the Nationalists. In 1927, they severed the connection, but, since then and up to the present day, the "Red" forces have been rampant in the provinces south of the Yangtse, the strenuous efforts repeatedly made by the National Government to suppress them having ended in failure. Inquiry into these events that have transpired since the establishment of the National Government discloses great Communistic activity, as is apparent from the organization of a large number of Communist bodies such as the "Chinese Communist Party", "Central Executive Committee of the Chinese Young Communists Group", the "National Federation of the Chinese Revolutionary Mutual Relief Association", the "Propaganda Department of the Central Soviet Preparatory Standing Committee", the "General Federation of the Freedom Movement in China" and its Japanese branch, the "Young Men's Federation of Shanghai against Imperialism in Formosa", the "Iron and Blood League for National Salvation", the "General Federation of Chinese Students in Japan for the Study of Social Science", the "Association for the Study of Marxism", and the "Association for the Study of the Proletariat"; and from the publication by these bodies of periodicals such as the *Red Flag Daily*, the *Battle Cry*, the *Red Flag*, the *Battle*, the *Cultural War*, the *Anti-Imperialistic Rising Generation*, the *Freedom Movement*, the *Freedom*

Front, the *Bolsheviki*, the *Chinese Soviet Pictorial*, the *Young Lenin*, the *Proletariat Youth*, the *Iron and Blood*, the *October Revolution*, the *Revolutionary Movement*, the *Weekly Review*, and the *Haihwang Jihpao*, as well as Communistic journals of irregular issue. These papers and journals have readers not merely in all parts of China, but among the Chinese Communists and Japanese radicals in this country, and, besides disseminating Communism, are devoted to the spread of anti-foreign and anti-Japanese ideas.

The "paper bullets" of this character, which invariably aim at poisoning Japanese thought, unite in expounding Marxian economic theory and in proclaiming that capitalism has already reached an inextricable *impasse* and is steadily drifting towards the inevitable and preordained *débâcle*—Communistic Revolution, and they urge the international co-operation of the proletariat for the establishment of a Soviet *régime* in all countries. They attack the exploitation of semi-colonial territories by "International Imperialism", they advocate the emancipation of the "oppressed" races, and they stigmatise the League of Nations as an agency for the distribution of "goods plundered by the Powers".

Situated, as she is, in close propinquity to China and intimately related to that country through the similarity of script and intercourse, Japan always finds it extremely difficult to prevent the inroad of such subversive thoughts into her territory, to the deep concern of the authorities. The following are extracts of the more salient passages from among thousands of Chinese publications aiming at the propagation of Communism and anti-Japanism that have been discovered during the last five years.

a. The declaration issued by the "Propaganda Department of the Central Executive Committee of the Chinese Communist Party" in June, 1929, concludes with the following slogans:

"Long live Marxism!

"Long live Leninism!

"Down with the Second International!

"Down with opportunism and reformism!

"Turn an Imperialistic war into a war of proletarian revolution.

"Defend the Union of Soviet Socialist Republics—Fatherland of the proletariat.

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“Down with Imperialism, the enemy of the Soviets!
“Hurrah for the Victory of the Union of Soviet Socialist Republics in the Establishment of Socialism!
“People of the Proletarian Classes in the West and Oppressed Races in the East, Unite!
“Emancipate All Colonies!
“Establish a Dictatorship of the Proletariat!
“Long Live the Congress of the Workmen and Soldiers and the Soviet Government!
“All Workers and Farmers of China, Unite!
“All Workers and Farmers of the World, Unite!”

b. The following is a passage in the declaration made in commemoration of the Shameen Incident by the members of the Nationalist Party in Japan on July 15, 1929:—

“At that time, the British Imperialists were greatly astounded at the rapid progress of the revolutionary movement in China and feared that their special rights and interests in the Far East would be jeopardized thereby, and, in particular, that the movement would spread to India, the base of their invasion of the Far East. They thereupon gave rein to their brutal nature and perpetrated wholesale massacres in different places and menaced the Chinese people, thus putting down the anti-Imperialistic movement. Being, however, ignorant of the dictum: ‘The greater the pressure, the greater the resistance’, their cruelty and violence only served to intensify the revolutionary movement in China. Even then, they were not conscious of their blunder and pursued the policy of armed oppression, with the result that the disastrous Shameen Incident took place.

“The authorities of the Chinese Government, supported by the old and new militarist factions and the bureaucrats, became more and more confused, until they either surrendered to the Imperialists or were satisfied with being their cat’s-paws. In these circumstances, it is idle to expect from the authorities the abolition of unequal treaties or the restitution of international settlements and foreign concessions. We must, therefore, act single-handed to avenge the death of our brethren and to wipe out the humiliations to which our race has been subjected.”

c. The following is a part of the resolution adopted at the Sixth National Convention of the Communist Party of China held in August,

Q/ 1929:

“Resolved, that we shall strengthen our connection with the Japanese Communists and, with their co-operation, oppose the despatch of Japanese troops to China, sap the *morale* of the Japanese troops stationed in China, and instigate the Japanese soldiers and lead them towards revolution, and also decide upon the means of carrying out agitation by the workmen employed in Japanese enterprises in China, e.g., the South Manchuria Railway.

“Resolved, that we shall bring the Communists in Great Britain, the United States and France to conduct movements against Imperialism, to send agents here to sap the *morale* of all the foreign troops stationed in China, to carry on propaganda for the Chinese Revolution in different countries with a view to obtaining help from the different peoples, and to expose the aggressive policies of their respective Imperialistic Governments.

“Resolved, that we shall arrange for the Communists in all foreign countries to investigate the relations between the labour movement in Annam and the Communists in French Annam, those between the Chinese labour movement in the South Sea Islands and the Communists in Indo-China, the Malay Archipelago and Java, and those between the Mongolian problems and the revolutionists in Mongolia, and devise means whereby these Communist groups may be linked together for greater strength.”

d. The statement, entitled “A Reminder to Our Comrades in Japan of the Anniversary of the May 30th Incident”, issued by the executive committee of the Tokyo headquarters of the Nationalist Party on May 30th, 1930, contains the following passage:

“Everson, Chief of the Lao-Tsa Police Station, suddenly called out 22 policemen and ordered them to be ready to fire. The first shot was fired by the Assistant-Chief, Swale, an Englishman, and the policemen followed suit. As a result of this attack on the unarmed people, four of them were shot dead and blood flowed on Nanking Road.

“The marines from foreign warships as well as international volunteers were prepared to fire on the Chinese at different places, and occupied the “*New World*” (a popular pleasure resort), and some of them stabbed and killed our brethren. Americans, too, killed Tsai Chih-sien, one of our labourer-comrades.

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"Why did they kill our fellow-citizens, particularly young students? The reason for this outrage may easily be seen. The foreigners fear that, if our people grow stronger, there will be no room for the maintenance of influence of the Imperialists in China".

e. An article entitled "The Third Period in the Downfall of Capitalism and the Latest Condition of the Revolutionary Movement in China" in the *Proletariat Youth* published in October, 1930, says in part:

"Economic panic and political crisis have become universal, accelerating the growth of the world-wide revolutionary movement. In all the capitalistic States, strikes among the people of the labouring classes have grown more frequent and intense, and the battle-lines of the unemployed are extending. Since this state of affairs greatly contributes to the firm establishment of Socialism in the Union of Soviet Socialist Republics and further increases the confidence of the people of the labouring classes in socialistic revolution, strikes and struggles against taxation by working people will turn into a political war against Imperialism, and will quicken the development of the revolutionary movement in all colonies and dependencies and in India, of the rebellious riots in Annam, and of the disturbances in Formosa, and the revival of the revolutionary movement in China, thereby shaking Imperialism to its very foundations all over the world.

"China is a country where the control of International Imperialism is at its weakest, and not only is that control destined to be lost there before anywhere else, but, as all the fundamental contradictions of Imperialism are there most conspicuously in evidence, China is in a unique position to expose and explode such contradictions.

"China is the greatest colony, the greatest market and the best field for investment for International Capitalism, and the richest source of supply of raw materials in the world. She, therefore, constitutes an essential factor in the Imperialistic economic structure of to-day. In order to prevent its downfall, Imperialism, which has failed in controlling China, will necessarily have recourse to the severest possible measures to suppress and defeat the revolution in China. In that event, the Chinese Revolution must inevitably meet Imperialism in a sanguinary and desperate war. In the last and decisive stage of this conflict, however, China will be able to mobilize under her banner all the revolu-

tionary forces on the face of the globe and crush Imperialism for ever."

f. A passage of an article entitled "Present Condition of the Union of Soviet Socialist Republics at Home and Abroad", in a special issue in commemoration of the October Revolution and of the First National Convention of the Delegates of the Chinese Soviets, published on November 7, 1930, by the Tokyo Branch of the Freedom Movement Federation of China and the China Association for the Study of Social Science, follows:—

"The rising tide of revolution is manifesting itself in the growth and intensification of economic strikes, in the development of these strikes into political conflicts, in the application of ingenious tactics to strike under the direction of the Communistic labour unions, in extensive movements by the unemployed in all the capitalistic States, in revolutionary activities in all the colonies, in the revolutionary movement carried on by a section of the Chinese farmers, in the organization of a "Red" army to fight the propertied class and feudal forces in China, in the revolutionary racial and anti-Imperialistic movement in India, Annam and Africa, and in the development of the Communist parties in China, Europe and America and their struggle for the exclusion of opportunists."

g. A passage from an article, under the caption, "The Latest International and Domestic Conditions", in the *Struggle*, published on February 7, 1931, by the Tokyo Branch of the Freedom Movement Federation of China and of the China Association for the Study of Social Science, follows:—

"In 1930, a great storm of revolution is again raging in all the colonies and semi-colonial territories, i.e., the Philippine Islands, Formosa, Korea, Annam, China, India, the South Sea Islands, and Africa, owing to the economic and agricultural panic, the sharp fall in the price of silver, and the joint attack made by all the Imperialistic States. In China, in particular, the "Red" army has swollen to over twenty army corps and the sphere of the activity of the Chinese Soviets extends over more than 300 *hsien* (districts). The First Convention of the Delegates of the local Soviets held in May, 1931, afforded infinitely great moral support to all the oppressed races of the world on the one hand and struck terror into the hearts of the Imperialists on the other. Consequently, the Imperialists sent a large army to China

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for the purpose of helping the anti-revolutionary militarists and causing them to launch an attack upon the areas occupied by the Chinese Soviets."

h. "A Letter addressed to Chinese Students in Japan concerning the Occupation of Manchuria and Mongolia by the Japanese Imperialists", issued by the Association of Chinese Students in Tokyo on October 14, 1931, says:

"Dear Brethren!

"We ought not to presume that the Council of the League of Nations will speak fairly and justly on our behalf. The League of Nations is, after all, an agency for the distribution of the plunder of the Imperialistic robbers. We ought not to be led into the delusion that Imperialism will remove the causes of discontent on our behalf. Imperialism is, after all, designed for robbery and exploitation. Every Imperialistic State has revealed its brutal identity where opportunity and geographical convenience presented themselves. For instance, the United States controls the Central and South American States such as Mexico, Panama, and Columbia by means identical with those by which Japan has occupied Manchuria and Mongolia; France is in Morocco; and Great Britain dominates over India and Afghanistan by force of arms.

"Oppose the occupation of Manchuria and Mongolia by the Japanese Imperialists! Oppose an Imperialistic World War: Oppose the march of Imperialism against the Union of Soviet Socialist Republics! Overthrow Imperialism! Defend the Communist Party of China; Defend the anti-militaristic and anti-Imperialistic "Red" army of China! Defend the Soviet *régime* in China!"

i. "A Letter addressed to Chinese Students in Japan concerning the Occupation of Manchuria and Mongolia by the Japanese Imperialists", issued by the Federation for Opposition to the Imperialistic Occupation of Manchuria and Mongolia in October, 1931, states in part:

"The League of Nations is a place of refuge for the Imperialistic robbers. We should not be misled by the illusory idea that Imperialism of a new order will appear and express dissatisfaction on our behalf, because the actualities of Imperialism are based on robbery and exploitation. That the United States, an Imperialistic Power, adopted the same measures as the occupation of Manchuria by Japan and is at open variance with the Central and South American States such as

Mexico, Panama, Nicaragua and Columbia, and that Great Britain is oppressing India and Afghanistan by force of arms, are cases in point.”

j. According to the speeches delivered by Chinese Communist elements at a memorial meeting for those who fell in the North-Eastern Provinces in the autumn of 1931, their views on the Sino-Japanese conflict may be summarized as follows:—(1) The Manchurian Affair was due to the desire on the part of the Japanese Imperialists for the acquisition of colonies and for making preparations for a second World War; (2) The League of Nations is, as it were, the Imperialists’ General Staff for dividing the colonies of the world among themselves. It is always deceiving the hard-working masses and weakening the forces of revolution by proclaiming world peace; and (3) The enemies of the Chinese populace are the Imperialistic States as well as the militarists of China, and their friends are the oppressed peoples and the small and weak nations of the world.

k. The “Declaration made on the occasion of the First National Convention of the Chinese Soviets and in commemoration of the Fourteenth Anniversary of the October Revolution”, published by the Japanese branch of the Association for the Study of Social Science in China in November, 1931, contains the following passage:—

“In order to effect the relaxation of the present panic and crisis, the international bourgeois Imperialists are, of necessity, carrying on the exploitation of and attacks upon the colonies in a more vigorous and active manner than in the past. Since the military occupation of Manchuria was effected by Japan, therefore, the land, sea and air forces of the Imperialistic nations such as Japan, Great Britain and the United States have been despatched to China and they now occupy the forts and commercial ports of China. As a result, the rivalry among these Imperialistic Powers in China is growing in intensity, and, while their struggle for priority in attacking the “Red” army of the Chinese Soviets is getting more and more serious, the Imperialists of Great Britain and of the United States, who are extremely jealous of Japan on account of her military occupation of Manchuria and Mongolia, with the resultant acquisition of priority in attacking the Union of Soviet Socialist Republics, have instigated their tool, the Nationalist Government, to abandon the policy of non-resistance towards Japan hitherto pursued and to adopt, in its place, the policy of provocation against her.”

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CHAPTER VI

Conclusion

The principle of education indicated by the ideals of internationalism and pacifism, proclaimed by the League of Nations, demands that every country should inspire its people with a spirit of justice and forbearance, that no nation should be satisfied with the mere continuation and conservation of past traditions, but that the character of its people should be so moulded as to meet the needs of international social life and the requirements of the present new age, and that every country should foster a spirit of world patriotism by eradicating all fears born of ignorance and superstition. This principle must eventuate in an increase in the knowledge of foreign countries, in the encouragement of the study of foreign languages, in the extirpation of chauvinism, in the prohibition of the military training of students, and in the elimination of such educational reading material as is calculated to incite enmity against other nations. It is in consonance with the spirit of this principle that, for more than a decade now, the Committee on Intellectual Co-operation of the League of Nations have laboured to eliminate anti-foreign materials in the teaching of history.

The educational world of Japan, which observes the principle just referred to and is thoroughly imbued with its spirit, has always maintained a calm attitude towards the phenomenon of the anti-Japanese educational agitation in China described in the preceding chapters. For instance, the Seventh National Congress of Primary School Teachers, held in Tokyo in October, 1930, adopted, in conformity with the foreign policy of the Government, the following resolution regarding the co-operation of Japan and China for the promotion of education:

"With reference to educational method to be adopted in Japan, it is resolved—(1) that the sentiments and attitude of the Japanese people towards China shall be made fair and just; (2) that any passages, if such exist, concerning China in Japanese textbooks, which require

revision, shall be promptly revised and, moreover, that a large quantity of material likely to be of help in deepening the understanding of China be incorporated in the textbooks; and (3) that the Chinese language shall be added to the subjects in the curricula of higher primary schools and other higher grade schools.

“With reference to educational method which is desired to be adopted in China, it is resolved—(1) that a change in the sentiments and attitude of the Chinese people towards Japan be effected by bringing them fully to understand that the Japanese are not a people who follow aggressive principles; (2) that efforts be made to have the Chinese textbooks revised so as to eliminate any anti-Japanese passages in them, and that a large quantity of material likely to be of help in increasing the understanding of Japan shall be incorporated in the textbooks; and (3) that the Japanese language be added to the subjects in the curricula of higher primary schools and other higher grade schools.

“With reference to matters relating to those engaged in education and students of Japan and China, it is resolved—(1) that a Sino-Japanese educational conference be convoked; (2) that parties of educational observers be exchanged between Japan and China; (3) that friendly intercourse between Japanese and Chinese school children be promoted by (a) an exchange of letters, (b) an exchange of handiwork, (c) the inauguration of musical and other convivial meetings, and (d) the inauguration of exhibitions of children’s handiwork, etc.; and (4) that the following meetings be held for the purpose of increasing friendly relations between Japanese and Chinese students: (a) athletic meetings, (b) theatrical meetings, (c) social meetings, and (d) research meetings.

“With reference to other matters, it is resolved—(1) that an exchange of views between the educators, scholars and thinking men of Japan and China be effected; (2) that the understanding and harmony of the two peoples be promoted through newspapers and magazines; (3) that opportunity for the furtherance of friendship and intimacy between influential Japanese and Chinese be increased; (4) that facilities for Chinese young men desiring to be educated in Japan be improved as far as possible (5) that means shall be devised for making the stay of Chinese students in Japan as comfortable as possible; and (6) that the utmost possible convenience shall be accorded to Chinese students

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in Japan in respect of boarding and other matters."

The Eighth National Congress of Primary School Teachers held at Sendai, Japan, in October, 1931, discussed anti-Japanese education in China, and deplored the fact that, although the Chinese authorities, by the use of abundant propaganda material, had been speedily and effectively disseminating in the minds of the young anti-foreignism and anti-Japanism through the medium of the textbooks for primary and middle schools and had been implanting in them radical ideas, such as overthrowing "Imperialism", anti-Japanese boycotts, conflicts with Japan, the recovery of all rights and interests, and the disregard of international treaties and agreements, yet the Japanese Government authorities concerned had for years taken no remedial measures,—even after the publication of the authorized textbooks on the Three Principles of the People by the Department of Education of the National Government at Nanking in 1927. The following resolution was adopted and sent to the authorities, who referred it to the League of Nations for consideration:

"Resolved, that the Council of the League of Nations be requested to cause China to realize that the elimination of all anti-foreign, and particularly anti-Japanese, material from the textbooks for use in her primary and middle schools constitutes a basic condition of the solution of the Manchurian Question and to give her clearly to understand that much is expected from her as a contribution towards strengthening the foundations of permanent peace".

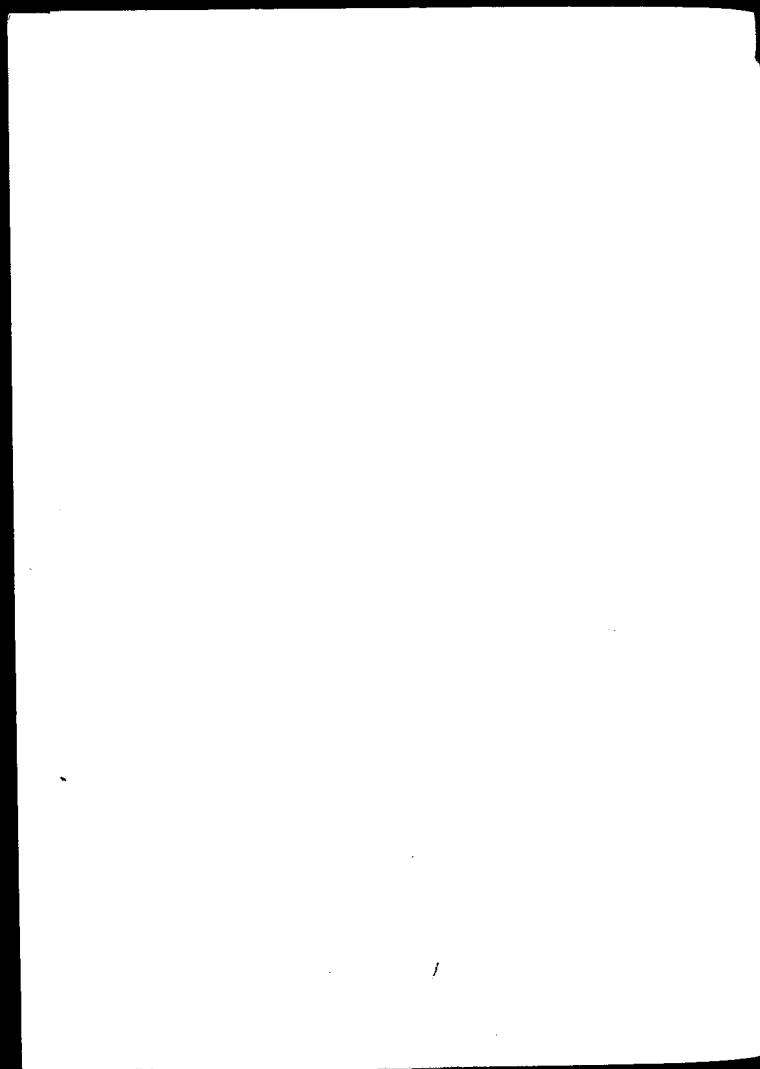
International good understanding may be achieved by an objective examination and adjustment of the claims and contentions of the countries concerned. Korea, in olden times, long paid tribute to Japan, yet both Japan and China recognized her independence; the Loochoos were tributary to the lord of Satsuma in feudal days. China never fully established her sovereignty over Formosa; and, at one time, she herself evaded the responsibility which she should have borne if the island was under her sovereignty. The rights and interests of Japan in South Manchuria are those which were no longer China's when Russia came into possession of them, and which Japan took over from Russia as a result of the war in which she staked her national existence. The unfortunate Tsinan Incident broke out when Chinese regulars pillaged the dwellings of Japanese residents and fired upon the Japanese soldiers

who were despatched to the scene to drive them off, and, in the course of the incident, Chinese soldiers murdered a large number of innocent Japanese residents. As circumstantially shown in the preceding chapters, the Chinese authorities and people entirely disregard these patent facts. They assert the complete innocence of China, laying the blame on Japan, and persist in anti-Japanese agitation, some of them going even the length of ascribing the civil wars in their own territory to the machination of the Japanese. In spite of such antagonism on the part of China, the Japanese Government have consistently exerted themselves to bring about a good understanding of Japan by the Chinese under the motto, "Friendship and Common Prosperity and Co-existence of the Two Countries." After the Washington Conference, in particular, they met the aspirations of the Chinese, where they were legitimate, with amity, sympathy and forbearance in that spirit of international co-operation which was an outstanding feature of the "Shidehara Diplomacy",—a "weak-kneed and self-abnegating diplomacy" according to a section of Japanese opinion,—and more than once showed the way to other countries in extending special consideration to the demands of China. Unfortunately, this was mistaken by the Chinese for complaisance and cowardice on the part of this country and only served to exacerbate their anti-Japanese sentiments, culminating in the outbreak of the Manchurian Affair. If, from a sociological point of view, the existence of two irreconcilable national wills means chronic hostility, it may be said that the present Sino-Japanese conflict has been destined to come at the challenge of China from the moment when she began openly to regard Japan as a potential enemy and taught her children so, and that the murder of Captain Nakamura, the Wanpaoshan Incident and the Liutiakou Affair only ignited the heap of gunpowder that had long been accumulating.

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APPENDIX A—6



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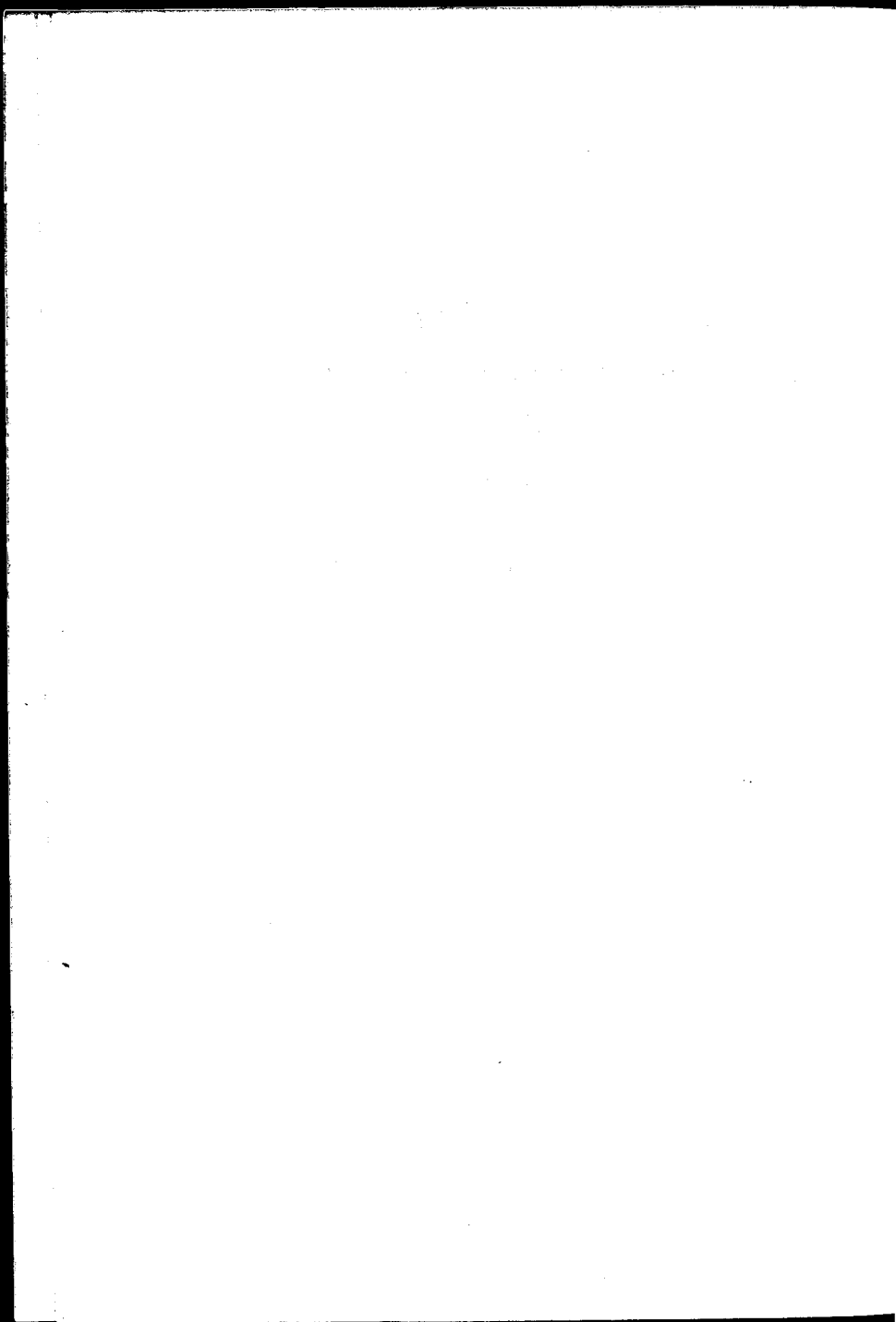
Leading Cases of Chinese
Infringement of Treaties, etc.

with

A Brief Outline of Negotiations Thereon

between

Japan and China



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PART I

INFRINGEMENT OF THE TREATIES, AGREEMENTS,
AND NOTES EXCHANGED BETWEEN
JAPAN AND CHINA

I

Infringement of the Treaty of Commerce and
Navigation of 1896

1 Infringement of Article III

1. Article III contains the following stipulations concerning
Japanese consuls at open ports and marts in China :

" His Majesty the Emperor of Japan may appoint Consuls-General, Consuls, Vice-Consuls and Consular Agents to reside at such of the ports, cities and towns of China, which are now, or may hereafter be, opened to foreign residence and trade, as the interests of the Empire of Japan may require.

These officers shall be treated with due respect by the Chinese Authorities, and they shall enjoy all the attributes, authority, jurisdiction, privileges and immunities which are, or may hereafter be, extended to similar officers of the nation most favoured in these respects."

From the above provisions, it is perfectly clear that Japan has the right at her own pleasure to station consuls at any open ports

or marts in China where she may consider their residence to be necessary. Similar provisions are found in most of the treaties of commerce and navigation which China has concluded with other Powers. For instance, the Sino-British Treaty of Tientsin of 1858, Article VII, contains the following stipulations:

“ Her Majesty the Queen may appoint one or more Consuls in the dominions of the Emperor of China, and such Consul or Consuls shall be at liberty to reside in any of the open Ports or Cities of China as Her Majesty the Queen may consider most expedient for the interests of British Commerce. They shall be treated with due respect by the Chinese authorities, and enjoy the same privileges and immunities as the Consular Officers of the most favoured nation.”

2. In virtue of the above-mentioned treaty right, Japan has made endeavours since 1929 to establish consulates at Maoerhshan in the Province of Fengtien, and at Taonan in Eastern Inner Mongolia. Encountering opposition on the part of China, negotiations have been repeatedly conducted with her, with no prospect as yet of a successful issue. In resisting our proposition, China at one time alleged that those two places were not open marts, while at other times she stated that, although there was no objection on her part, she would prefer to have the matter kept in abeyance for some time in order to suit the convenience of the authorities at Mukden. And at times, yet other excuses would be offered, China's obvious purpose being in this prevaricating manner to shelve the matter altogether.

2 Infringement of Article IV

1. Article IV provides concerning the entry of Japanese sub-

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jects into China and their residing, and carrying on trade and other activities, in that country as follows:

"Japanese subjects may, with their families, employés and servants, frequent, reside and carry on trade, industries and manufactures, or pursue any other lawful avocations 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 nation."

It is to be observed that the article just quoted does not contain any explicit provisions relative to the engagement of Japanese vessels in trade in China, like the provisions, for instance, contained in Article XI of the Sino-British Treaty of Tientsin, 1858, ("They are permitted to carry on trade with whomsoever they please, and to proceed to and fro at pleasure with their Vessels and Merchandise.") or like those of Article II of the Sino-French Treaty of Amity, of Commerce and of Navigation, 1844, ("Les navires Français pourront commercer librement dans lesdits ports, y séjourner et circuler de l'un à l'autre suivant leurs convenances").

But it is to be noticed that Article XV of our Treaty of Commerce and Navigation with China makes provisions regarding the tonnage dues which our merchant vessels are to pay at Chinese open ports, while in addition the following provisions are contained in Article XVI:

"Any Japanese merchant vessel arriving at an open port of China shall be at liberty to engage the services of a pilot to take her into port. In like manner, after she has discharged all legal dues and duties and is ready to take her departure, she shall be allowed to employ a pilot to take her out of port."

From these provisions, it admits of no doubt whatever that the absence of any explicit reference to Japanese vessels in Article IV in no way affects the right of our vessels to engage in trade to and from the open ports of China.

Even if the articles of our treaty with China so far examined did not contain any provision recognizing the right of our vessels to trade with Chinese open ports, the matter would be rendered plain by the following provisions in Article XXVII of the same treaty:

"The High Contracting Parties will agree upon Rules and Regulations necessary to give full effect to this Treaty. Until such Rules and Regulations are brought into actual operation, the Arrangements, Rules and Regulations subsisting between China and the Western Powers, so far as they are applicable and not inconsistent with the provisions of this Treaty, shall be binding between the Contracting Parties."

But more conclusively still, Article IX of the Supplementary Treaty of Commerce and Navigation between Japan and China, 1903, provides thus:

"....; and it is hereby expressly stipulated in addition that the Japanese Government, Officers, Subjects, Commerce, Navigation, Shipping, Industries and Property of all kinds shall be allowed free and full participation in all privi-

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leges, immunities and advantages which have been or may hereafter be granted by His Majesty the Emperor of China or by the Chinese Government or by the Provincial or Local Administrations of China to the Government, Officers, Subjects, Commerce, Navigation, Shipping, Industries or Property of any other nation."

It will accordingly be apparent that Japanese vessels are as a matter of course entitled to the right of entry and trading given to the vessels of Great Britain and France by their treaties with China above referred to (Article XI and Article II respectively).

2. Under the above-mentioned provisions of the Chinese treaties of commerce and navigation with Japan, Great Britain and France, the vessels of all descriptions flying the flags of the respective nations are given the right to resort to the open ports of China. It is therefore clear that China may not curtail the above-mentioned rights on account of the class or size of such vessels.

3. *Exclusion of small vessels from foreign trade:* In spite of the above-mentioned treaty stipulations, the National Government ordered the Maritime Customs Houses at various ports in January, 1931, to issue a notification to the effect: "No steam or motor vessels under 100 tons shall be permitted on and after February 1st to engage in trade between Chinese and foreign ports. All vessels of this class contravening the present notification shall be confiscated together with their cargo." This interdiction is meant to apply not only to merchant ships entering a Chinese port laden with general merchandise but also to small fishing craft. Foreign fishing boats, therefore, were to be denied the right to enter a Chinese port.

4. *Prohibition of the import of salted and fresh fish by foreign fishing boats:* Toward the end of March, 1931, the National Government caused the following notification to be promulgated through the Maritime Customs Houses at various ports: "On and after the 1st of May, no fresh or salted fish shall be permitted to be imported,

unless they come in a regular way from foreign ports on board merchant ships and covered by a bill of lading."

5. Concerning the object of the issue of the afore-mentioned two notifications, the National Government have explained to the Japanese Government that it was simply to control more effectively smuggling carried on by small vessels. However, as a matter of fact, an exception is made in those notifications in favour of the small vessels which have for a long time been trading between the Canton delta district on the one hand and Hongkong and Macao on the other. It, therefore, follows that these prohibitory notifications really apply to the trade carried on in small boats between Taiwan (Formosa) and its opposite coast of Fukien, the small vessels plying between Korea and Antung and Newchwang, and the Japanese fishing boats with headquarters at Antung, Tsingtao, and Shanghai.

6. The Japanese Government protested to the National Government, explaining at some length that these prohibitory measures contravene the treaty of commerce and navigation between the two countries and that their enforcement would undermine the rights and interests which Japanese subjects have built up in China by continuous efforts over a long period of time. In reply the National Government contended (a) that there are precedents in a number of other countries for the prohibition of foreign trade in small vessels; (b) that, since the import of fresh and salted fish in merchant vessels is not prohibited, the measures in question do not contravene the treaty of commerce and navigation; (c) and that it pertains to China's sovereign rights either to permit or prohibit the use of Chinese territory as a place from which to carry on deep sea fishing. China ignores here the fact that the Japanese who engage in deep sea fishing from Antung, Tsingtao or Shanghai, have been permitted all these years to bring back their catch to these ports and to land them there after paying the regular import duties. The Chinese contentions are clearly untenable under the provisions of the existing treaty of commerce and navigation between the two

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countries.

7. *Unlawful measures concerning land and other descriptions of immovable property:* Article IV of the Sino-Japanese Treaty of Commerce and Navigation contains an explicit provision granting to Japanese subjects the right to acquire land and other descriptions of immovable property in the open ports and towns of China. Similar provisions are also found in the agreements between the two Governments concerning the Concessions and Settlements at various ports. Moreover, Article X of the Franco-Chinese Treaty of Tientsin of 1858 stipulates as follows concerning the acquisition by French citizens of rights in land and houses in Chinese open ports and marts:

"Il est bien entendu, d'ailleurs, que le nombre des maisons et l'étendue des terrains à effectuer aux Français, dans les ports ouverts au commerce étranger, ne seront point limités, et qu'ils seront déterminés d'après les besoins et les convenances des ayant-droit."

The privilege thus granted to French citizens is clearly claimable by Japanese subjects in virtue of Article XXVII of the Sino-Japanese Treaty of Commerce and Navigation and Article IX of the Supplementary Treaty of Commerce and Navigation.

However, it is a well-known fact that the Chinese Government have been accustomed to resort to various measures with a view directly or indirectly to limit or prohibit the acquisition by Japanese subjects of rights in land and other descriptions of immovable property. This is particularly the case in regard to Manchuria, but such instances are by no means wanting in other parts of China. It has, consequently, not only become impossible for Japanese to acquire a new lot of land, but they are now exposed to exasperating interferences with the landed rights they actually possess, such rights becoming increasingly difficult for them to preserve. The following instances may be mentioned:

A. Restraints on the right of leasing land in Manchuria :

This subject will be dealt with elsewhere in the paragraphs under the title, "Treaty Infringements in Regard to South Manchuria and Eastern Inner Mongolia."

B. Compulsory imposition of unlawful land-title duty :

It is a widespread practice on the part of Chinese officials throughout the country to enforce the renewal of title-deeds where the owner is a Japanese, and to charge, on every occasion of such renewal, title-deed duty and renewal fees—a practice which is contrary to treaties and other arrangements. A typical case is one involving the land owned by the Osaka Shosen Kaisha at Foochow held on perpetual lease. In February, 1928, the said company acquired by purchase a piece of land on perpetual lease, together with certain buildings, and applied for the issue of a title-deed. The officials demanded at first a sum of 1,650 dollars and later 3,300 dollars as stamp duty in respect of the land which had cost the shipping company only 10,000 dollars. The officials refused to issue the title-deed unless the above-mentioned sum was forthcoming. So, deciding not to obtain any title-deed, the company asked for the return of the application papers, together with a copy of the contract for the purchase of the land. Neither of these documents has been returned.

C. Unlawful expropriation of land owned by Japanese :

The Chinese authorities have on several occasions attempted unlawfully to expropriate land owned by Japanese. Such cases have happened chiefly in Shanghai.

a. *Public road constructed through land held on lease by the Nikkwa Spinning Mill*: In August, 1930, the Municipal Government of Greater Shanghai, started the construction of a road across land held on perpetual lease at Putung by the Nikkwa Spin-

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ning Mill, without taking any steps to² secure the consent of the company.

b. *Construction of a road across land held on lease by Baron Iwasaki:* In January, 1931, the Municipal Government of Greater Shanghai arbitrarily caused 16 or 17 concrete piles, (with the legend "Shanghai road boundary" inscribed on them) to be put on land held on perpetual lease by Baron (Hisaya) Iwasaki at Putung. Later, a large number of coolies were sent there by the said Government, and the road was constructed.

c. *Construction of a road across land held on lease by the Dai Nippon Seitô Kaisha:* In April, 1931, the authorities of Greater Shanghai built a road through land held on perpetual lease by the Dai Nippon Seitô Kaisha, without the latter's consent.

3 Infringement of Article VII

1. Article VII of the Treaty of Commerce and Navigation provides as follows concerning the employment of Chinese by Japanese subjects at Chinese open ports and towns:

"Japanese subjects residing in the open ports of China may take into their service Chinese subjects and employ them in any lawful capacity without restraint or hindrance from the Chinese Government or Authorities."

Similar provisions are contained in the treaties of commerce and navigation concluded by China with other Powers.

2. In spite of the existence of these explicit treaty provisions, all Chinese, including domestic servants in the employ of foreigners, whenever an anti-foreign agitation is started, are in the name of patriotism caused to leave their employers on pain of bodily harm. The Chinese authorities not only refrain from interfering with agitation of this kind, but secretly encourage it. Consequently, foreign

residents are not infrequently menaced with the deprivation of their accustomed means of every day life. These ruthless methods of persecuting foreigners have become more drastic since the establishment of the Nanking Government. Speaking from our own experience, both at the time of the anti-Japanese movement after the Tsinan Affair of 1928, and during the present anti-Japanese movement before and after the Shanghai Affair, the Japanese residents have been forcibly deprived of all Chinese employees including household servants. They were in consequence not only incapacitated for the pursuit of business and all their other peaceful occupations, but were rendered helpless in meeting the requirements of daily life. The Chinese authorities, when approached with a request for the proper control of these objectionable activities, always refused to entertain it, on the plea that these activities are matters of individual liberty, and that the actions of the Anti-Japanese Association in connection with the Chinese in Japanese service are beyond the power of the Government to control, as they proceed from patriotic motives.

4 Infringement of Article IX

1. Article IX of the Sino-Japanese Treaty of Commerce and Navigation makes provisions for the Chinese customs tariffs and tariff rules which are to be applicable to trade between the two countries, and also for the limitation or prohibition of the import or export of a small number of specified articles; while by Article XXVI the revision of such tariffs, tariff rules, and prohibitions and limitations of imports and exports, is to be effected every ten years. These Articles are quoted below:

“Article IX.—The Tariffs and Tariff Rules now in force between China and the Western Powers shall be applicable to all articles upon importation into China by Japanese

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subjects or from Japan, or upon exportation from China by Japanese subjects or to Japan. It is clearly understood that all articles, the importation or exportation of which is not expressly limited or prohibited by the Tariffs and Tariff Rules existing between China and the Western Powers, may be freely imported into and exported from China, subject only to the payment of the stipulated import or export duties. But in no case shall Japanese subjects be called upon to pay in China other or higher import or export duties than are, or may be, paid by the subjects or citizens of the most favoured nation; nor shall any article imported into China from Japan or exported from China to Japan be charged upon such importation or exportation other or higher duties than are now, or may be, paid by the subjects or citizens of the most favoured nation; nor shall any article imported into China from Japan or exported from China to Japan be charged upon such importation or exportation other or higher duties than are now, or may hereafter be, imposed in China on the like article when imported from or exported to the nation most favoured in those respects."

.....

"Article XXVI.—It is agreed that either of the High Contracting Parties may demand a revision of the Tariffs and of the Commercial Articles of this Treaty at the end of ten years from the date of the exchange of the ratifications; but if no such demand be made on either side and no such revision be effected, within six months after the end of the first ten years, then the Treaty and Tariffs, in their present form, shall remain in force for ten years more, reckoned from the end of the preceding ten years, and so it shall be at the end of each successive period of ten years."

2. With regard to the coasting trade duty in China, the following provisions are found in Article XLIV of the Treaty of Friendship, Commerce, and Navigation between Denmark and China of 1863 :

“ Chinese produce may be carried coastwise in Danish vessels from one port to another on paying tariff duty at the port of shipment, and coast-trade duty (the amount of which shall be one-half of the tariff duty) at the port of discharge.”

It is scarcely necessary to state that the foregoing provisions apply to the Japanese vessels, in virtue of the most favoured nation clause in the Sino-Japanese Treaty of Commerce and Navigation and, in particular, of the provisions, as quoted before, of Article XXVII of that treaty.

3. Despite the existence of these unequivocal treaty stipulations concerning the customs tariff and coasting trade duty, the Chinese Government have, by their own unilateral decision acted upon since 1926, effected a large increase in the tariffs of customs and coasting trade duties under the name of surtax. Japan and other Powers have protested against such illegal procedure, but their protests have always been disregarded as will be described below. The damage thus caused to Japan has been enormous, because the trade with China forms an important part of this country's foreign commerce.

a. *Import and export surtax*: In October, 1926, the Kuomintang Government at Canton commenced by their own unilateral decision to levy a surtax of 2.5 per cent upon ordinary goods imported, and 5 per cent surtax upon “ luxury articles ”, besides a 2.5 per cent surtax upon exports. These were alleged to be internal taxes, and their collection was effected through inland excise offices newly established for that purpose. In proportion to the extension of the Kuomintang Government's power, the imposition of these surtaxes was gradually extended to Central and North China. Since the

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occupation of North China by the Kuomintang Government in June, 1928, these surtaxes have been collected in all localities under the influence of that Government, except Manchuria and Tsingtao. Protests were made by every interested Power, but China showed no inclination to discontinue the practice.

On February 1, 1929, the National Government put in force the new import tariff (the so-called seven grade tariff) which had been approved by the Powers concerned. At the same time the Government abolished the import surtax, but not only was the export surtax not abolished but there was initiated a new surtax of 1.25 per cent on the coasting trade duty and another of 2.5 per cent on the single tax on the produce of foreign style factories in China, equally applicable to Chinese and foreigners alike. The collection of these additional taxes were entrusted to the Maritime Customs Houses. The same procedure was followed in Manchuria and Tsingtao. The Japanese Government lodged a strongly worded protest with the Chinese Government and succeeded in making them desist from the enforcement of these taxes so far as the three open ports in South Manchuria, viz., Dairen, Antung and Newchwang, were concerned. But in all other places, the Japanese protest failed to have any effect.

b. *Projected imposition of import surtax by the Peking Government*: Following the example set by the Kuomintang Government, the Peking Government made it known by Presidential Decree dated January 12, 1927, that on and after February 2 there would be imposed an import surtax of 2.5 per cent upon ordinary merchandise, and one of 5 per cent on articles of luxury, and endeavoured to effect their collection by the Maritime Customs Houses which functioned in the provinces under their rule. But the Inspector-General of the Chinese Maritime Customs, Sir Francis Aglen, refused to have anything to do with these surtaxes, on the ground that the Maritime Customs Houses had no competence to collect taxes that were not based upon treaties. Thereupon the Peking Government

appointed Mr. A. H. F. Edwardes Officiating Inspector-General on January 31, 1927, while Sir F. Aglen was given leave of absence, which was tantamount to dismissal. However, the proposed levy of the surtaxes did not materialize, except in the Province of Kiangsu, where General Sun Chuan-fang, Commander-in-Chief of the Five Provinces, succeeded in collecting the surtaxes in question through inland excise offices as from January 20 of that year.

c. *The plan of realizing customs autonomy unilaterally:* Apart from the enforcement of the various surtaxes already mentioned, the National Government concocted a scheme to realize the enforcement of tariff autonomy by sheer arbitrary dictation. With this object in view, they attempted to levy various unlawful taxes in rapid succession subsequently to July, 1927. To mention one noteworthy instance, in return for the abolition of *Likin* in Kwangtung and five other Provinces on September 1, the Kuomintang Government worked out a scheme of new taxation to make up for the abolition of *Likin*. The proposed new taxation consisted in the levy of import duties of 20, 30 and 62.5 per cent on "luxury articles" accordingly to descriptions, and of 12.5 per cent on ordinary goods. This project, however, did not materialize owing to strong opposition on the part of the interested Powers. It, however, affords us an insight into the psychology of the National Government anent treaty obligations.

d. *Abolition of special duty reduction treatment on goods carried overland between Chosen and Manchuria:* In defiance of the Sino-Japanese Agreement of 1913 concerning special duty reductions in the case of goods imported into Manchuria from or through Chosen and exported from Manchuria to or through Chosen by rail via Antung, the National Government, on February 24, 1929, directed the Maritime Customs Houses at Antung and Chientao to issue a notification abolishing the said duty reductions on and after the following day (Feb. 25). The Japanese Government immediately

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lodged a protest with the Chinese Government. It succeeded in having the illegal measure discontinued so far as Antung was concerned, but at Chientao the notification was carried through in spite of our protest.

e. *Collection of customs duties on gold basis*: The Chinese Maritime Customs duties on imports and exports are, it is stipulated in all treaties, to be calculated in terms of *Haikwan taels* (silver basis), the actual payment being made in local currency at current rates of exchange. Without any previous consultation with the Powers affected, the Chinese Government issued a notification on January 15, 1930, announcing, that on and after February 1, 1930, all Maritime Customs duties were to be paid on a gold basis, the reason assigned for the innovation being that otherwise the phenomenal drop in the price of silver would so reduce customs income as to jeopardize obligations under the foreign loans. For this purpose the tariff rates which had been stated in terms of silver *Haikwan taels* were converted to a gold basis, arbitrarily establishing as from March 16, 1930, the ratio of 1 *Haikwan tael* for 1.75 of the newly created Customs gold unit (containing 60.1866 centigrammes of pure gold). The duties thus restated in terms of the new Customs gold unit, are to be paid in local currency at current exchange rates.

4. As regards the prohibition and limitation of imports and exports in China, it is stipulated, as above quoted, in Article IX that:

"It is clearly understood that all articles, the importation or exportation of which is not expressly limited or prohibited by the Tariffs and Tariff Rules existing between China and the Western Powers, may be freely imported into and exported from China, subject only to the payment of the stipulated import or export duties."

Looking into the treaty arrangements between China and the

Occidental Powers relative to the prohibition and limitation of exports and imports, it will be found that the Franco-Chinese Treaty of Tientsin, 1858, provides in Article XXVII as follows :

“ Les droits d'importation et d'exportation prélevés en Chine sur le commerce français seront réglés conformément au tarif annexé au présent Traité sous le sceau et la signature des plénipotentiaires respectifs. Ce tarif pourra être révisé de sept en sept années, pour être mis en harmonie avec les changements de valeur apportée par le temps sur les produits du sol et de l'industrie des deux Empires.

Moyennant l'acquit de ces droits, dont il est expressément interdit d'augmenter le montant dans le cours des sept années susmentionnées et que ne pourront aggraver aucune espèce de charge ou de surtaxe quelconque, les Français seront libres d'importer en Chine des ports français ou étrangers, et d'exporter également de Chine pour toute destination, toutes les marchandises qui ne seraient pas, au jour de la signature du présent Traité, et d'après la classification du tarif ci-annexé, l'objet d'une prohibition formelle ou d'un monopole spécial.

Le Gouvernement chinois renonçant à la faculté d'augmenter par la suite, le nombre des articles réputés contrebande ou monopole, aucune modification ne pourra être apportée au trafic qu'après une entente préalable avec le Gouvernement français et de son plein et entier consentement.”

Similar provisions are found in China's Treaties of Commerce and Navigation with Great Britain and the United States. In other words, it is not permissible for China to prohibit or limit the exportation or importation of goods other than those expressly provided for in those treaties. In spite of these unequivocal treaty provisions, China has

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in recent years made additions at her own will to the list of goods liable to prohibition or limitation, and no protest from the interested Powers has succeeded in restraining her. Such arbitrary actions on her part have been particularly frequent since the coming to power of the National Government at Nanking. Encouragement of domestic industry is always the reason adduced, but the way the Chinese Government has of inaugurating these measures at short notice necessarily places merchants engaged in export or import business at a great disadvantage. It very often happens that, taking unfair advantage of the plight in which such merchants find themselves, the Chinese Government will compel them to offer contributions under the name of license fees. To cite a few instances of this description of Chinese breach of treaty stipulations:

a. On February 7, 1922, the Peking Government, in compliance with a petition of the Shanghai Spinners' Federation, addressed a note to the Doyen of the Corps Diplomatique, informing him that on and after March 1 the export of cotton would be interdicted. The Corps Diplomatique protested against this on February 27, on the ground of its being a breach of treaty stipulations. For a while the Chinese Government would not raise the embargo, but at last on July 1 the order prohibiting the export of cotton was revoked. The matter was thus settled, but it undoubtedly constitutes an instance of breach of treaty on the part of China.

b. The National Government of Nanking, in November and December, 1929, notified a prohibition of the export of copper and its alloys (bronze, brass, etc.). But none of the treaties China has entered into with any of the Powers include these articles in the list of articles whose export or import may be prohibited. The step taken by China was consequently incompatible with her treaty obligations. However, in spite of a protest lodged by Japan, China still refuses to revoke the prohibition.

c. In October, 1930, the Mitsui Bussan Kaisha imported 130,000 bags of Japanese rice at Shanghai. It so happened that, owing to

a good harvest in China, the price of rice was falling, so the Chinese Municipal Authorities at Shanghai and a number of the Chinese dealers in rice, being opposed to the import of Japanese rice, petitioned the Nanking Government to prohibit the importation of Japanese rice. At the same time the Chinese Municipal Authorities advised, nay, forced, the Chinese merchants to boycott the Japanese rice imported by the Japanese firm. The boycott was kept up in spite of a Japanese protest, so that the Mitsui Bussan Kaisha only succeeded in having the boycott stopped by paying a fee of 20 cents in addition to a secret contribution of the same sum per bag (150 Kin) to the Social Bureau of the Chinese Municipality of Shanghai. In this way the company was barely able to dispose of this consignment of rice from Japan.

5 Infringement of Articles XI and XII

1. These two articles provide a system of commutation transit tax or duty in order to mitigate the inconvenience arising out of the *Likin* and other forms of inland taxation which constitute such a hindrance to trade in China. The text of the articles in question reads as follows :

“ Article XI.—It shall be at the option of any Japanese subject desiring to convey duly imported articles to an inland market to clear his goods of all transit duties by payment of a commutation transit tax or duty, equal to one-half of the import duty in respect of dutiable articles, and two and half per cent upon the value in respect of duty free articles ; and on payment thereof a certificate shall be issued, which shall exempt the goods from all further inland charges whatsoever. It is understood that this Article does not apply to imported opium.

Article XII.—All Chinese goods and produce purchased

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by Japanese subjects in China elsewhere than at an open port thereof and intended for export abroad, shall in every part of China be freed from all taxes, imposts, duties, *lekin*, charges and exactions of every nature and kind whatsoever, saving only export duties when exported, upon the payment of a commutation transit tax or duty calculated at the rate mentioned in the last preceding Article substituting export duty for import duty, provided such goods and produce are actually exported to a foreign country within the period of twelve months from the date of the payment of the transit tax; all Chinese goods and produce purchased by Japanese subjects at the open ports of China and of which export to foreign countries is not prohibited shall be exempt from all internal taxes, imposts, duties, *lekin*, charges and exactions of every nature and kind whatsoever, saving only export duties upon exportation; and all articles purchased by Japanese subjects in any part of China, may also, for the purposes of export abroad, be transported from open port to open port, subject to the existing Rules and Regulations."

It will be seen from these treaty provisions, that foreign goods on importation within any open port in China ought to be free from any taxation whatsoever beyond the payment of the stipulated customs duties. And when these goods are taken away from the open port and sent inland, the merchant has the option of either paying the *Likin* and other inland taxes or paying instead a commutation transit tax or duty, the same procedure being also applicable in the case of the exportation of Chinese goods to a foreign country.

2. But controversy has frequently been occasioned, as articles on which commutation transit tax has been paid have nevertheless been subjected to the imposition of the *Likin* and other forms of inland taxation. Cases of illegal taxation levied on foreigners and

foreign articles by the Central and Provincial Governments have become more and more frequent since the establishment of the Kuomintang Government at Canton which initiated the movement for the abolition of the "unequal" treaties. As instances of illegal taxation on a somewhat extensive scale, mention may be made of the "Special Coal Tax" (1927) in the Province of Kiangsu, the "Surtax for the Relief of the Damage Caused by the Communist Affair" (1928) in the Province of Kwangtung, and the "Surtax on Leaf Tobacco" (1929) in the Province of Shantung. In addition, reference will be made below to a few more of the representative cases of illegal taxation in China.

A. *Special Tax on Flour:*

In June, 1928, the National Government at Nanking issued "Regulations Regarding the Special Tax on Flour," and put them into force in July, in the three Provinces of Kiangsu, Chekiang and Anhui. The rate of the tax was 10 per cent per bag, applicable to all machine ground flour, whether manufactured at home or abroad. Subsequently this tax was extended to Swatow, Tientsin, Tsingtao, Chefoo and Hankow. From September 1, 1929, it was applied also at Canton. This special tax was enforced in co-operation with the Maritime Customs Houses, where no imported flour, unless furnished with a label certifying the payment of the said special tax, was allowed to be cleared.

In October, 1929, the Chinese authorities in Tientsin and Tsingtao demanded of those who paid the special tax on flour that they should subscribe to a public loan for an amount equivalent to 10 per cent of the above-mentioned special tax paid. In case they refused to comply with this demand, their flour was not cleared at the Customs Houses. Subsequently, however, the enforcement of this demand was discontinued on the ground that the amount of the loan allotted to Tsingtao and Tientsin had in each case been fully subscribed.

B. *Consolidated Tax on Cotton Yarn, Matches and Portland Cement:*

The National Government issued in January, 1931, "Regulations

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concerning the Consolidated Tax on Cotton Yarn, Matches and Portland Cement," which were put in force on the day of their promulgation. According to these regulations, the articles in question are to be taxed at high rates as mentioned below, no matter whether they are imported or produced in China or whether they are to be consumed at an open port or not:

1. Cotton Yarn

- a. Grey yarn of counts under 23\$ 2.75 *per picul*
- b. Grey yarn of counts above 23\$ 3.75 *per picul*
- c. Yarn of other descriptions5 per cent *ad valorem*
(assessed at the Customs House)

2. Matches

- a. In length shorter than 4.3 centimetres,
in boxes of not more than 75 splints....
.....\$ 5.00 per case of 50 gross small boxes.
- b. In length shorter than 5.2 centimetres,
in boxes of not more than 100 splints.....
.....\$ 7.50 per case of 50 gross small boxes.
- c. In length exceeding 5.2 centimetres, in
boxes of more than 100 splints.....
.....\$ 10.00 per case of 50 gross small boxes.

3. Portland Cement

- a. Packed in barrels of 350 lbs.\$ 0.60 per barrel.
- b. Other weights
.....In proportion to above rate.

C. Consolidated Taxes on Cigars and Cigarettes:

The "Consolidated Taxes on Cigars and Cigarettes" were first put in force in January, 1927, in the Provinces of Hupei, Hunan, Kiangsi, etc., and their operation were extended to other provinces in July, the same year. It is levied upon cigars and cigarettes at the rate of 32.5 per cent of the value assessed at the Customs House.

D. *Consumption Taxes on Specified Goods levied in the Province of Hunan :*

In the Province of Hunan a consumption tax was newly introduced in November, 1931. It is levied upon the principal articles, whether home or foreign made, exported from or imported into the province, at rates varying from 1.5 to 6 per cent *ad valorem*.

E. *Special Tax on Piece Goods imported into the Province of Kwangtung :*

For the purpose of raising funds for military expenditure, the Provincial Government of Kwangtung put in force at Canton and Swatow from June, 1931, a new special tax of 3.75 per cent *ad valorem* upon foreign made piece goods imported into the province. It has also been determined that this special tax shall be accompanied from the following month by a war loan surtax amounting to 20 per cent of its amount. This taxation is not only illegal but unjust, because, while it is levied upon goods manufactured at foreign factories in China, it does not touch the goods turned out at Chinese-owned factories.

6 Infringement of Article XV

1. Article XV of the Sino-Japanese Treaty of Commerce and Navigation contains the following stipulations in regard to the tonnage dues to be levied upon Japanese merchant vessels in China :

“Japanese merchant vessels of more than one hundred and fifty tons burden, entering the open ports of China, shall be charged tonnage dues at the rate of four *mace* per registered ton ; if of one hundred and fifty tons and under, they shall be charged at the the rate of one *mace* per registered ton. But any such vessel taking its departure within forty-eight hours after arrival, without breaking bulk, shall be exempt from the payment of tonnage dues.

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Japanese vessels having paid the above specified tonnage dues shall thereafter be exempt from all tonnage dues in all the open ports and ports of call of China for the period of four months from the date of clearance from the port where the payment of such tonnage dues is made. Japanese vessels shall not, however, be required to pay tonnage dues for the period during which they are actually undergoing repairs in China.

No tonnage dues shall be payable on small vessels and boats employed by Japanese subjects in the conveyance of passengers, baggage, letters, or duty free articles between any of the open ports of China. All small vessels and cargo boats, however, conveying merchandise which is, at the time of such conveyance, subject to duty, shall pay tonnage dues once in four months at the rate of one *mace* per ton.

No fee or charges other than tonnage dues shall be levied upon Japanese vessels and boats, and it is also understood that such vessels and boats shall not be required to pay other or higher tonnage dues than the vessels and boats of the most favoured nation."

Note: According to the provisions of Article XXVI of the same Treaty, the tonnage dues mentioned above are subject to revision every ten years by mutual consultation between the two countries.

2. The National Government at Nanking, ignoring these provisions, issued in July, 1927, a notification putting in force a surtax upon the tonnage dues amounting to 50 per cent of the latter. This measure was naturally met by strong and united opposition on the part of the foreign Powers, which agreed among themselves that the regular tonnage dues due from foreign ship-owners should be deposited at their respective consulates. But there being indications that the Chinese authorities might interfere with the entry or clearance of

such foreign vessels as might refuse the payment of the surtax, the foreign Powers, with a view to avoiding possible damage to the interests of foreign shipping concerns, agreed to leave it to the option of the ship-owners whether or not to adhere to this procedure of deposit. In the meanwhile, the Chinese Government on their part, in view of the strong opposition which this surtax invoked among the foreign Powers, voluntarily reduced its rate to 25 per cent on August 8, and on September 1, announced the abolition of the tax altogether. So the difficulty was finally brought to a settlement, but the whole story throws significant light upon the Chinese attitude towards treaty obligations.

7 Infringements of Articles XX to XXIV

1. Concerning the privilege of extraterritorial jurisdiction which Japanese enjoy in China, the Treaty of Commerce and Navigation contains in Articles XX to XXIV detailed stipulations as follows:

“Article XX.—Jurisdiction over the persons and property of Japanese subjects in China is reserved exclusively to the duly authorized Japanese Authorities, who shall hear and determine all cases brought against Japanese subjects or property by Japanese subjects or by the subjects or citizens of any other Powers, without the intervention of the Chinese Authorities.

Article XXI.—If the Chinese Authorities or a Chinese subject make any charge or complaint of a civil nature against Japanese subjects or in respect of Japanese property in China, the case shall be heard and decided by the Japanese Authorities.

In like manner all charges and complaints of a civil nature brought by Japanese Authorities or subjects in China against Chinese subjects or in respect of Chinese

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property, shall be heard and determined by the Chinese Authorities.

Article XXII.—Japanese subjects charged with the commission of any crimes or offences in China shall be tried, and, if found guilty, punished by the Japanese Authorities according to the laws of Japan.

In like manner Chinese subjects charged with the commission of any crimes or offences against Japanese subjects in China shall be tried, and, if found guilty, punished by the Chinese Authorities according to the laws of China.

Article XXIII.—Should any Chinese subjects fail to discharge debts incurred to a Japanese subject, or should he fraudulently abscond, the Chinese Authorities will do their utmost to effect his arrest, and enforce recovery of the debts. The Japanese Authorities will likewise do their utmost to bring to justice any Japanese subject who fraudulently absconds or fails to discharge debts incurred by him to a Chinese subject.

Article XXIV.—If Japanese subjects in China, who have committed offences or have failed to discharge debts and fraudulently abscond, should flee to the interior of China or take refuge in houses occupied by Chinese subjects or on board of Chinese ships, the Chinese Authorities shall, at the request of the Japanese Consul, deliver them to the Japanese Authorities.

In like manner if Chinese subjects in China, who have committed offences or have failed to discharge debts and fraudulently abscond, should take refuge in houses occupied by Japanese subjects in China or on board of Japanese ships in Chinese waters, they shall be delivered up, at the request of the Chinese Authorities made to the Japanese Authorities."

2. With respect to the validity of this treaty, Article XXVI provides as follows :

“ It is agreed that either of the High Contracting Parties may demand a revision of the Tariffs and of the Commercial Articles of this Treaty at the end of ten years from the date of the exchange of the ratifications ; but if no such demand be made on either side and no such revision be effected, within six months after the end of the first ten years, then the Treaty and Tariffs, in their present form, shall remain in force for ten years more, reckoned from the end of the preceding ten years, and so it shall be at the end of each successive period of ten years.”

It clearly follows from this that the above-mentioned provisions relating to extraterritoriality are to remain permanently in force, except for some special understanding between Japan and China. That this is the correct rendering of the matter, is made clear beyond any doubt by Article XI of the Supplementary Treaty of Commerce and Navigation of 1903, which provides :

“ The Government of China having expressed a strong desire to reform its judicial system and to bring it into accord with that of Japan and Western nations, Japan agrees to give every assistance to such reform, and will also be prepared to relinquish its extraterritorial rights when satisfied that the state of the Chinese laws, the arrangements for their administration and other considerations warrant it in so doing.”

Similar stipulations are found in the treaties of commerce and navigation hitherto concluded between China and other Powers, as

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for instance in the Anglo-Chinese Treaty of 1858 (Article XXVII), the so-called Mackay Treaty of 1902 (Article XII), and the Treaty for the Extension of Commercial Relations between the United States and China of 1903 (Articles XV and XVII).

3. In spite of clear and explicit stipulations, as mentioned above, concerning the duration of the validity of extraterritorial rights, the National Government of Nanking addressed a note to Japan under date of July 19, 1928, stating that the Sino-Japanese Treaty of Commerce and Navigation had that day expired and become null and void. Japan was to be treated as a non-treaty Power, and an intimation was made that Japanese subjects would thenceforth be placed under the "Law for the Temporary Governance of Non-extraterritorial Nationals." Notwithstanding a vigorous protest from Japan, China has steadily ignored Japan's treaty rights, encroached upon her consular jurisdiction and done violence to the rights and interests of Japanese subjects. A few instances will be mentioned below.

A. Unlawful action carried out by the National Government:

When the National Government approached the Powers concerned, except Japan, in 1929 with a proposal for revising the Agreement of 1926 concerning the Provisional Court of the Shanghai International Settlement, they entirely ignored the position of Japan as a signatory of the agreement in question, with vast interests in the said International Settlement. Japan was denied the participation in the discussions of a question in which she is so deeply concerned. Japan's protest had no effect upon the Chinese Government, which never swerved from their unjustifiable course of policy.

B. Miscarriage of justice and encroachment upon consular jurisdiction:

a. *Refusal on the part of the District Court of Shanghai to*

recognize the Mitsui Bussan Kaisha as a juridical person: In May, 1930, the Mitsui Bussan Kaisha instituted a civil suit in the District Court of Special District of Shanghai, claiming damages against a number of compradors. The court ruled that, extraterritoriality having been already abolished by the Chinese Government, no foreign firm had the right to bring a suit in a Chinese court, unless and until it had been registered as a juridical person in accordance with the provisions of the Chinese Civil Code. Consequently, the firm had to institute the case afresh in the individual capacity of the manager. This decision of the District Court has been a cause of much uneasiness on the part of many Japanese firms at Shanghai which have been incorporated according to Japanese law and which have hitherto been in the habit of conducting business as juridical persons. It is not the Japanese firms alone that have been treated in this fashion, but the same treatment has been meted out to firms of other foreign nationalities. The matter has consequently assumed great importance in the eyes of the foreign lawyers in China.

b. *Punishment of Japanese by the lash*: On July 28, 1931, the Bureau of Public Safety at Tsinan arrested Yoshimi Mito and another Japanese on a charge of dealing in prohibited drugs, and notwithstanding that they were proved to be Japanese, they were detained at the Provincial Military Court where they were sentenced to punishment by whipping, the sentence being carried out on the following day in the presence of General Han Fu-chu, the Governor of Shantung.

c. *The "Tatsuta Maru" case*: The District Court at Shanghai admitted in March, 1931, a suit for damages brought against the Nippon Yusen Kaisha by relatives of men alleged to have been drowned when their ship *Shinkan* went down as the result of a collision with the m.v. *Tatsuta Maru* owned by the said Japanese company. The court entertained the case, although perfectly aware that under existing treaty stipulations the Nippon Yusen Kaisha can

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only be sued in a Japanese court. Summonses have been served upon the company, and two hearings have been held in the case in the absence of any representative of the defendant company.

d. *Japanese resident summoned before Chinese court*: On September 27, 1930, Mitsutaro Ogura, a Japanese resident of Shanghai, brought a suit for damages in the District Court of Wu-hsien for infringement of a trade-mark against *Tetachang, Chihuatung* and several other Chinese merchants, accusing them of selling mosquito sticks which were manufactured at a Chinese factory at Shanghai named *Meimei Huahsueh-Kungyueh-chang* in imitation of the mosquito sticks manufactured by the Azumi Pharmaceutical Company of Osaka and bear a forged label exactly like the one used by the said Japanese manufacturer. On October 1 the suit was withdrawn by Ogura, because a settlement had been arranged between him and the Chinese merchants. The terms of the settlement were that the Chinese merchants would apologize in writing, that they would never again sell the counterfeit articles, and that the remaining stock of the counterfeit articles would be burnt. The Chinese merchants not only did not carry out the terms of the settlement, but charged Ogura before the District Court of Wu-hsien with having illegally interfered with their business. The court entertained the suit and served a summons upon Ogura through the Japanese Consulate-General, ordering him to appear at the criminal section on October 8. The Japanese Consulate-General entered a protest against this procedure, and returned the summons.

e. *Delivery of Korean refused*: Li Tei-ryong, a Korean, who had killed a fellow-countryman, Pak Yong-man, at the outskirts of Peiping on October 17, 1928, was arrested by the Chinese authorities. On his delivery being demanded by the Japanese Legation, the Chinese court refused his surrender, first on the alleged ground that the prisoner had become a Chinese by naturalization, and then on the plea that it was a case of mistaken identity. The Imperial Legation repeatedly produced evidence to establish his identity beyond

any shadow of doubt, but it was all to no avail. He was sentenced at the District Court of Peiping on November 23, the same year, to imprisonment with hard labour for five years and six months.

f. *Extradition of Formosans refused*: Two Formosans, Wong Chen-tai and Lin Sin-lai, while in the service of the Bank of Taiwan and a post office in the island respectively, were accused of swindling victims of large sums of money, and warrants for their arrests were issued by the Japanese court. In March, 1929, they were arrested at Nanking by the Chinese authorities on suspicion of being communists. The Japanese Consul at Wuhu demanded their extradition, but the Chinese court refused to entertain the demand on the pretext of mistaken identity. Their identity was then established beyond any possibility of doubt by the production of copies of their personal registrations and photographs and other reliable evidence. Even then their extradition was refused on one pretext or another.

C. Abusive exercise of police powers against Japanese (person, property and vessels):

Japanese subjects, who, in virtue of the provisions of Articles XX to XXIV of the Treaty of Commerce and Navigation already quoted, enjoy the right of extraterritoriality, are exempt from arrest by Chinese officials, so are their residences likewise immune from search by such officials. They are only liable to arrest by Chinese officials when they commit a crime in the interior of China, but in that case they are, without loss of time, to be handed over to the Japanese authorities. Similar immunities are also enjoyed by Japanese vessels. As regards vessels, Article XII of the Sino-French Treaty of Tientsin, 1858, contains explicit provisions as follows:

“Les propriétés de toute nature appartenant à des Français dans l'Empire chinois seront considérées par les Chinois comme inviolables et seront toujours respectées par eux. Les autorités chinoises ne pourront, quoi qu'il arrive,

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mettre embargo sur les navires Français, ni les frapper de réquisition pour quelque service public ou privé que ce puisse être."

This stipulation necessarily applies to Japanese vessels.

The Chinese police officials, however, have repeatedly and without adequate cause put Japanese under arrest and searched their houses. They have in some cases even gone the length of seizing and refusing to return the property of such Japanese and articles found in their houses. (Instances of acts of this description are particularly frequent in the case of Koreans and Formosans, who, however, abstain from appealing to the Japanese consular authorities, lest they should incur the vengeance of the Chinese officials.) Japanese vessels have also, in time of civil war, been repeatedly ordered by Chinese officials, civil or military, to stop on the pretended reason of maintenance of the public peace, and in cases they refused to obey such orders they have been fired upon. A few of the more typical of such cases will be given hereunder.

a. *Arrest of Tsuru Okazaki*: On May 17, 1930, Tsuru Okazaki, a Japanese resident, was arrested by a number of detectives in the service of the Chinese Bureau of Public Safety in the Japanese Concession at Tientsin, as he was coming out of his house on a rickshaw, and was taken to the said Bureau. The Bureau, in reply to Japanese protests, alleged that the person had been arrested on suspicion of having installed a private wireless telegraph apparatus. It was afterward made clear that it was a case of mistaken identity. In any event, the action of the Chinese Bureau of Public Safety showed an unjustifiable disregard for the police jurisdiction of the Japanese Concession as well as for the extraterritorial privileges of individual Japanese.

b. *Fuk-tai Yanghong Affair*: The local Chinese officials of Foochow being notoriously addicted wantonly to visit and search the houses of Formosan residents, with the object of confiscating opium,

the Japanese Consul-General effected an arrangement with the Provincial authorities of Fukien, by which it was agreed that no Formosan suspected of dealing in opium should be arrested except by Japanese officials, Chinese officials being permitted to be present as a matter of expediency. The Bureau of Public Safety at Foochow, in complete defiance of this agreement, searched the premises of the Fuk-tai Yanghong on May 21, 1930, and took away a quantity of opium.

c. *The S.S. "Chôyô Maru" detained*: On January 2, 1928, the *Chôyô Maru* belonging to the Nisshin Kisen Kaisha was unlawfully stopped and searched at Woosung by several Chinese policemen who asserted themselves to be official inspectors.

d. *The S.S. "Daini Oki Maru" detained*: The *Daini Oki Maru* was prohibited by the local Chinese military authorities of Haichow from sailing for Tsingtao on April 16, 1928, and was illegally detained for 18 days, until May 3.

e. *The S.S. "Daishi Fukuyama Maru" detained*: The *Daishi Fukuyama Maru* was illegally detained by the soldiers of the Nationalist Army at Haichow for 17 days, from April 28 to May 14, 1928.

f. *The S.S. "Giyô Maru" fired upon*: On July 3, 1928, the *Giyô Maru* of the Nisshin Kisen Kaisha was ordered to stop at Tunglohsia a little below Chungking, by about twenty soldiers under Wang Ling-chi, commander of the 3rd Division, the 21st Nationalist Army. When she refused to obey the order, she was fired upon, damage being done to the tank and a fire-extinguishing appliance.

g. *The S.S. "Kaikô Maru" detained*: On September 1, 1928, the *Kaikô Maru* was ordered to stop at TENGCHOUTAO by soldiers of the local Chinese garrison. When she refused to stop, she was fired upon with rifles and guns, which damaged the wireless telegraph office and other parts of the ship.

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8 Infringement of Article XXVI

1. Article XXVI of the Sino-Japanese Treaty of Commerce and Navigation contains the following provisions concerning the duration of validity :

"It is agreed that either of the High Contracting Parties may demand a revision of the Tariffs and of the Commercial Articles of this Treaty at the end of ten years from the date of the exchange of the ratifications; but if no such demand be made on either side and no such revision be effected, within six months after the end of the first ten years, then the Treaty and Tariffs, in their present form, shall remain in force for ten years more, reckoned from the end of the preceding ten years, and so it shall be at the end of each successive period of ten years."

Similar stipulations are contained in the treaties of commerce between China and most other countries: as, for instance, the Sino-British Treaty of Tientsin, 1858: Article XXVII; and the Sino-American Treaty of 1903: Article XVII. A more favourable stipulation as to the duration of validity was secured by France in her Treaty of Tientsin with China, 1858, which runs as follows :

"Art. 40—Si dorénavant, le Gouvernement de Sa Majesté l'Empereur des Français jugeait convenable d'apporter des modifications à quelques-unes des clauses du présent Traité, il sera libre d'ouvrir, à cet effet, des négociations avec le Gouvernement chinois, après un intervalle de douze années révolues à partir de l'échange des ratifications..."

2. When the Sino-Japanese Treaty of Commerce and Navigation

matured for revision on October 20, 1926, the Peking Government addressed to the Japanese Government a note of that date proposing revision of the Treaty of Commerce and Navigation and the Supplementary Treaty of Commerce and Navigation together with the Annexed Agreements. In that note the Chinese Government intimated, among other things, that in case a new treaty were not concluded in the stipulated period of six months it would reserve the right they justly possessed. By making the above reservation, the Chinese Government apparently intended to effect the repudiation of the present treaty in case a new treaty would not be concluded within six months, thus revealing once again their disregard for unequivocal treaty provisions. In reply to this, the Japanese Government sent to the Peking Government a memorandum dated November 10, 1926, in which they made a counter reservation to the effect that, in view of the stipulation contained in Article XXVI of the Treaty of Commerce and Navigation, they could not accept the Chinese Government's reservation. Under this reservation the Japanese Government acceded to the Peking Government's proposal for starting negotiations for the revision of the treaties. The negotiations were continued from January, 1927, to June, 1928, but before any agreement could be reached, the northern expedition of the National Government of Nanking was crowned with success, leading to the fall of the Peking Government. In the mean time the period for negotiations had expired (on April 19, 1927), but by the mutual consent of both Governments it was extended for another three months, and such extension was subsequently repeated until July 19, 1928.

The Nanking Government, however, taking advantage of the expiration of the above-mentioned period of three months, forwarded to the Japanese Government a communication dated the same day (July 19, 1928), stating that the Treaties and the Annexed Agreements in question had lost their validity in virtue of the stipulations of Article XXVI, proposing negotiations for the conclusion on an equal footing of a new treaty of commerce and navigation, and announ-

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cing that, pending the conclusion of a new treaty, a "Provisional Arrangement Applicable in the Interval between the Abolition of the Old Treaty and the Conclusion of a New Treaty" would obtain. Accordingly, the Japanese Government replied by a memorandum dated July 31, pointing out (a) that the existing treaties, after the expiration of the period of six months reserved for negotiations, are, in virtue of Article XXVI, to continue in force for another ten years; (b) that the proposed application of the provisional arrangement would be a violation of the existing treaties and an act contrary to the principles of international faith; (c) that the failure of the revision negotiations was chiefly due to the internal unsettled political conditions in China; and (d) that, if China should recognize the validity of the existing treaties, Japan was prepared to agree to a resumption of negotiations for revision, but in case China should insist upon her unilateral decision for the application of the provisional arrangement, Japan would be compelled to take adequate measures for the protection of her treaty rights and interests. In reply the National Government addressed to Japan a memorandum dated August 14, in which they reiterated the contention that the Sino-Japanese Treaty of Commerce and Navigation lost its validity simultaneously with the expiration of the period set for negotiations concerning its revision, and to strengthen the argument they drew attention to the fact that circumstances have changed since the treaty was concluded. The matter has since been taken up twice with the Chinese Government, but the latter have stoutly refused to modify their attitude. They have in the mean time ignored the Japanese protests in connection with the question of extraterritorial rights and other matters, persistently adhering to their policy of treating Japan as a non-treaty Power.

9 Anti-Japanese Movement and Treaty Stipulations

1. Anti-foreign sentiment may be regarded almost as a chronic distemper inherent in the Chinese character. It was undoubtedly in

recognition of this fact that the treaties which Powers have concluded with China from early days contain stipulations regarding the prevention or suppression of anti-foreign activities on the part of the people of China. Some of these treaty stipulations will be quoted below.

A. Anglo-Chinese Treaty of Nanking, 1842, Article II:

"His Majesty the Emperor of China agrees that British Subjects, with their families and establishments, shall be allowed to reside, for the purpose of carrying on their Mercantile pursuits, without molestation or restraint at the Cities and Towns of Canton, Amoy, Foochowfu, Ningpo, and Shanghai, and Her Majesty the Queen of Great Britain, etc., will appoint Superintendents or Consular Officers, to reside at each of the above-named Cities or Towns, to be the medium of communication between the Chinese Authorities and the said Merchants, and to see that the just Duties and other Dues of the Chinese Government as hereafter provided for, are duly discharged by Her Britannic Majesty's Subjects."

B. Anglo-Chinese Treaty of Tientsin, 1858, Article XVIII:

"The Chinese authorities shall at all times afford the fullest protection to the persons and property of British subjects whenever these shall have been subjected to insult or violence. In all cases of incendiarism or robbery the local authorities shall at once take the necessary steps for the recovery of the stolen property, the suppression of disorder and the arrest of the guilty parties, whom they will punish according to Law."

C. Franco-Chinese Treaty of Tientsin, 1858, Article 36:

"Si, dorénavant, des citoyens français éprouvaient quelques dommages ou s'ils étaient l'objet de quelque insulte

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ou vexation de la part de sujets chinois, ceux-ci seraient poursuivis par l'autorité locale, qui prendra les mesures nécessaires pour la défense et la protection des Français : à bien plus forte raison, si des malfaiteurs ou quelque partie égarée de la population tentaient de piller, de détruire ou d'incendier les maisons, les magasins des Français ou tout autre établissement formé par eux, la même autorité, soit à la réquisition du consul, soit de son propre mouvement, enverrait en toute hâte la force armée pour dissiper l'émeute, s'emparer des coupables et les livrer à toute la rigueur des lois ; le tout sans préjudice des poursuites à exercer par qui de droit pour indemnisation des pertes éprouvées."

D. Sino-American Treaty of Tientsin, 1858, Article XI :

" All citizens of the United States of America in China peaceably attending to their affairs, being placed on a common footing of amity and good-will with subjects of China, shall receive and enjoy, for themselves and everything appertaining to them, the protection of the local authorities of Government, who shall defend them from all insult or injury of any sort. If their dwellings or property be threatened or attacked by mobs, incendiaries, or other violent or lawless persons, the local officers, on requisition of the Consul, shall immediately despatch a military force to disperse the rioters, apprehend the guilty individuals, and punish them with the utmost rigour of the law...."

All these stipulations are applicable to the Japanese subjects and their property, in virtue of the provisions of Article XXVII of the Sino-Japanese Treaty of Commerce and Navigation, 1896, and of Article IX of the Sino-Japanese Supplementary Treaty of Commerce

and Navigation, 1903. Article I of the former contains the following stipulations concerning the protection of the person and property of Japanese subjects :

“ There shall be perpetual peace and friendship between His Majesty the Emperor of Japan and His Majesty the Emperor of China, and between their respective subjects who shall enjoy equally in the respective countries of the High Contracting Parties full and entire protection for their persons and property.”

These stipulations are brief, but their purport is the same as those contained in treaties of China with Great Britain, the United States, and France, already quoted. Moreover, in Article X of the “*Protocole final concernant les troubles des Boxeurs*” China gave to the Powers a categorical pledge as to the suppression of anti-foreign activities, as follows :

“ Art. X.—Le Gouvernement Chinois s’est engagé à afficher et à publier pendant deux ans dans toutes les villes de district les Edits Impériaux suivants :

(a) Edit du 1^{er} février 1901 (Annexe No. 15) portant défense perpétuelle sous peine de mort, de faire partie d’une société anti-étrangère ;

(b) Edits des 13 et 21 février, 29 avril et 19 août 1901 contenant l’énumération des peines qui ont été infligées aux coupables ;

(c) Edit du 19 août 1901 supprimant les examens dans toutes les villes où des étrangers ont été massacrés ou ont subi des traitements cruels ;

(d) Edit du 1^{er} février 1901 (Annexe No. 16) déclarant que tous les Gouverneurs généraux, Gouverneurs et fonctionnaires provinciaux ou locaux, sont responsables de

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l'ordre dans leurs circonscriptions et, qu'en cas de nouveaux troubles anti-étrangers ou encore d'autres infractions aux traités qui n'auraient pas été immédiatement réprimées, et dont les coupables n'auraient pas été punis, ces fonctionnaires seront immédiatement révoqués sans pouvoir être appelés à de nouvelles fonctions ni recevoir de nouveaux honneurs.

L'affichage de ces Edits se poursuit progressivement dans tout l'Empire."

2. In spite, however, of these unequivocal treaty provisions, the anti-foreign movement has not in any way abated in China. Against Japan alone, on no less than nine occasions has such a movement been conducted since it was first started in connection with the *Tatsu Maru* incident in 1908. A detailed description of these movements with their attendant acts of lawlessness and violence, would make too long a story to suit our present purpose*. There is, however, one feature of the subject which cannot be passed unnoticed. That is, that since the establishment of the National Government the anti-foreign movement, including anti-foreign boycotts, has come to be conducted under the covert direction and assistance of the Government, who make use of it for the purpose of abolishing the so-called "unequal" treaties or of attaining success in certain diplomatic questions. Anti-foreign movements in China have in their nature and importance outgrown the limits of mere incidents that can be treated as infringement of treaties of commerce and navigation. They have in effect developed into acts of war in disguise, which in their insidious virulence and pervasive effects call for the strongest condemnation.

*Vide Appendix A-7, "Anti-Foreign Boycotts in China."

II

Infringement of the Supplementary Treaty
of Commerce and Navigation of 1903

Infringement of Article V

1. Article V provides as follows for the protection in China of trade marks and copyrights owned by Japanese subjects:

"The Chinese Government agree to make and faithfully enforce such regulations as are necessary for preventing Chinese subjects from infringing registered trade-marks held by Japanese subjects.

The Chinese Government likewise agree to make such regulations as are necessary for affording protection to registered copyrights held by Japanese subjects in the books, pamphlets, maps and charts written in the Chinese language and specially prepared for the use of Chinese people.

It is further agreed that the Chinese Government shall establish registration offices where foreign trade-marks and copyrights, upon application for the protection of the Chinese Government, shall be registered in accordance with the provisions of regulations to be hereafter framed by the Chinese Government for the purpose of protecting trade-marks and copyrights.

It is understood that Chinese trade-marks and copyrights properly registered according to the provisions of the laws and regulations of Japan will receive similar protection against infringement in Japan....."

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The above quoted Article makes no reference to industrial property, but the Treaty for the Extension of the Commercial Relations between the United States and China, 1903, contains in Article X the following provisions relative to the protection of industrial property:

"The United States Government allows subjects of China to patent their inventions in the United States and protects them in the use and ownership of such patents. The Government of China now agrees that it will establish a Patent Office. After this Office has been established and special laws with regard to inventions have been adopted it will thereupon, after the payment of the prescribed fees, issue certificates of protection, valid for a fixed term of years, to citizens of the United States on all their patents issued by the United States, in respect of articles the sale of which is lawful in China, which do not infringe on previous inventions of Chinese subjects, in the same manner as patents are to be issued to subjects of China."

In virtue of the provisions of Article XXVII of the Sino-Japanese Treaty of Commerce and Navigation and Article IX of the Supplementary Treaty of Commerce and Navigation it is clear that Japanese subjects are entitled to all rights enjoyed by American citizens in connection with the protection of industrial property.

2. The Trade Mark Law which the Peking Government enacted in 1923 failed to obtain the approval of the Powers because it did not contain any provisions assuring adequate protection for trade marks of foreigners. Since then the law in question was somewhat revised by the Peking Government, so that it received recognition on the part of the majority of the Powers in 1926. As a matter of

fact foreigners have since registered their trade marks at the Chinese Trade Mark Office.

But even as it now stands the revised Trade Mark Law of China is very imperfect, and in addition the official measures of control leave much to be desired. Consequently cases of Chinese infringement of foreign trade marks are on the increase. Moreover, in 1929 the National Government removed from the Trade Mark Law all punitive provisions, leaving all sanctions concerning trade marks to the Criminal Code, with the consequence that no infringement of trade marks can be penalized unless it comes within the scope of fraud. Now the Chinese law makes a distinction between the imitation of a trade mark and its forgery. On April 10, 1931, the National Government issued an instruction to the Trade Mark Office to the effect that, according to the interpretation adopted by the Legislature *Yuan*, an imitation of a trade mark is not necessarily to be regarded as a forgery, but that it is to be so regarded only when a trade mark registered by another was imitated with a fraudulent intention. The result has been an open legalization of all forgeries of trade mark. A legal rule like this is hardly compatible with the principle obtaining in all civilized countries with regard to trade mark laws, according to which even accidental coincidence constitutes an infringement. In any case, it is clear that the ruling in question contravenes the treaty stipulations which China has entered into for the protection of trade marks. As a matter of fact, the practical result has been a wholesale forgery or imitation of Japanese trade marks in China, so that there exists scarcely a Japanese article for which there is a demand in Chinese markets which is not sold under a forged or imitated trade mark. The damage thus inflicted upon Japanese merchants is exceedingly severe. Repeated protests have been made by the Japanese Government but without effect.

Out of the countless instances of the forgery and imitation of Japanese trade marks, mention will be made here of a few cases which have taken place recently.

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(a) Of late, twisted yarns of inferior quality have been put on the Chinese market under a trade mark which is an imitation of the Japanese trade mark (registered at the Chinese Trade Mark Office) used on the twisted yarns of the "Hinode" brand, manufactured at the factory of the Teikoku Seishi Kabushiki Kaisha, Osaka. Upon investigation it was discovered that the spurious article was produced at the Chinese factory, *Chinkung Liehhsien-chang* at Shanghai. The Japanese factory's Shanghai agent, the Tōa Kōshi, filed a suit in the District Court at Shanghai against the Chinese factory in March, 1931. Judgment was pronounced on April 1, deciding that the act complained of did not constitute a forgery within the meaning of the Criminal Code.

(b) At Hankow, Soochow, Canton and other places in Central and South China, there appeared, in 1930, on the market mosquito sticks which were imitations of those of the "Wild Boar" brand manufactured by the Azumi Pharmaceutical Company of Osaka and bearing a trade mark which was forgery of that used by the Japanese company. It was found upon investigation that the imitations were produced by the *Meimei Huahsueh-Kungyuehchang* of Shanghai and certain other Chinese manufacturers. So the matter was made the subject of complaint to the local authorities at Hankow and Shanghai by the Japanese Consuls-General at the respective ports. At the same time, a suit was filed at the Hsiakou District Court by the said company's agent (Tada Yōkō) at Hankow, while at Soochow the local agent (Ogura Yōkō) sued in the Wuhsien District Court for damages against the Chinese merchants concerned. At Hankow, the court took the matter up in a spirit of fairness, confiscating and burning the whole stock of the spurious goods, while the Bureau of Public Safety issued orders prohibiting their sale. But at Shanghai, no step was taken to interfere with the sale of the imitations. At Soochow, as already mentioned elsewhere, the matter was settled out of court, the Chinese merchants agreeing to hand in a written apology, to handle the objectionable goods no more and

to destroy by burning the whole stock in their hands. But as soon as the suit was withdrawn on October 1, the Chinese merchants not only refused to carry out their engagements, but sued Ogura Yôkô in the Wuhsien District Court for alleged interference with their business. The court at once took the matter up and issued summons to Ogura to appear before the court on October 8. In this way, nothing was done at Shanghai and Soochow to effectively deal with the sale of the imitations of the Japanese mosquito sticks in question.

(c) About the end of 1928 there appeared on the market at Tientsin a dentifrice of inferior quality with the well-known "Lion" trade mark (registered at the Chinese Trade Mark Office) of the Japanese manufacturer of toilet articles, Tomijirô Kobayashi. Enquiries established the fact that the responsible parties were the *Chenhsing Tooth Powder Factory*, *Peiyang Tunghsing Industrial Company*, *Tientsin Hsingmin Kungssu*, *Sinchi Tooth Powder Factory* and *China Industrial Company*. A strong protest was lodged with the local Bureau of Public Safety by the Japanese Consul-General at Tientsin on September 4, 1929.

(d) The trade mark of "Hsienluweng" (registered at the Chinese Trade Mark Office) used by the medicine *Lingpaotan* of the Marusan Pharmaceutical Company, Osaka, came to be imitated at Hankow and Shanghai in 1930. It was ascertained that these imitation trade marks were actually attached to articles produced by the *Taichi Pharmacy* of Hankow and more than ten other Chinese pharmacies. A protest was lodged with the Bureau of Public Safety at Hankow by the Japanese Consul-General at that port. The Chinese authorities contended in reply that the trade mark complained of was not a forgery because it had on it the name of Chinese pharmacies, and that to say that it was a forgery was under the circumstances, a baseless allegation which could only be made by persons ignorant of what forgery is. No effort was, consequently, made to suppress the use of the imitation trade mark.

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(e) From 1930 there extensively appeared on the market in South Manchuria tooth powder with a trade mark imitated upon that used on the well-known "Clean" tooth powder (registered at the Chinese Trade Mark Office) manufactured by the Jumbi Shókai of Osaka. It was found that the imitation article was manufactured by Chinese merchants at Kirin or Newchwang. The Japanese Consulate at Changchun took the matter up with the local Bureau of Public Safety, requesting that steps be taken to suppress the sale of the imitation goods.

III

Infringement of the Sino-Japanese
Treaty of Peace, 1895

Infringement of Article VI

Article VI, Clause 4, of the Sino-Japanese Treaty of Peace of Shimonoseki, contains the undermentioned stipulations relative to the right of Japanese subjects to engage in manufacturing industry in China and the right of the Chinese Government to tax such manufactures :

“4th.—Right to manufacture in open localities.—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 import 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.”

From the above provisions it is evident that articles manufactured by Japanese subjects in Chinese open ports and marts are to be treated in the same way as imported foreign articles. Subsequently, in 1903, when the Supplementary Treaty of Commerce and Navigation was concluded between the two countries, in return for

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the abolition of *Likin* it was agreed as a matter of principle that, in order to make good the resulting decrease in her revenue, China should have the right to levy consumption and production taxes at open ports and marts upon articles produced in China (including those manufactured by Japanese). On this subject it was stipulated in Article I as follows:

"Whereas China, with the object of reforming its fiscal system, proposes to levy a surtax in excess of the tariff rates on all goods passing through the Custom Houses, whether maritime or inland and frontier, in order to compensate in a measure for the loss incurred by the complete abolition of *likin*, Japan consents to pay the same surtax as is agreed upon between China and all the Treaty Powers. With regard to the production tax, consumption tax and excise, and the taxes on native opium and salt, leviable by China, Japan also consents to accept the same arrangements as are agreed upon between all the Treaty Powers and China. It is understood, however, that the commerce, rights and privileges of Japan shall not, on account of the above, be placed at any disadvantage as compared with the commerce, rights and privileges of other Powers."

But since then no arrangement has been made concerning these taxes between China and the other Powers (with the exception of the special convention between China and Great Britain concerning the import tax on opium). Consequently the privileges secured by Article VI, Clause 4, of the Peace Treaty, mentioned above, with regard to taxation upon the articles manufactured by Japanese subjects, still remain in force to-day.

In spite of this fact, however, the central and local Governments of China have since 1927 imposed a number of illegal taxes in con-

travention of the treaty stipulations mentioned above. On every occasion that such taxation was enforced, the Japanese Government did not fail to protest against it. But such protests have always been ignored by China. Of these illegal taxations, the more important are the special tax on flour (since 1931), the consolidated tax upon cigars and cigarettes (since 1927), and the special tax on imported piece-goods in the Province of Kwangtung (since 1931). (*Vide I, 5, Infringement of Articles XI and XII.*)

These illegal taxes doubly constitute a breach of treaty. In the first place, they are levied upon articles produced at foreign factories, which by treaty are exempted from taxation in the open ports or marts. Then again these taxes are imposed upon such articles when they are carried out of open ports or marts, whereas they should be exempt from all taxation except the commutation tax at the rate of 2.5 per cent *ad valorem*.

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IV

Infringement of the Treaty Relating to Manchuria, 1905

1 Infringement of Article I

Article I of the Treaty concerning Manchuria stipulates that:

"The Imperial Chinese Government consent to all the transfers and assignments made by Russia to Japan by Articles V and VI of the Treaty of Peace."

The Portsmouth Treaty (Article V and Article VI) provides more specific stipulations as follows:

"Article V.—The Imperial Russian Government transfer and assign to the Imperial Government of Japan, with the consent of the Government of China, the lease of Port Arthur, Talien and adjacent territory and territorial waters and all rights, privileges and concessions connected with or forming part of such lease and they also transfer and assign to the Imperial Government of Japan all public works and properties in the territory affected by the above-mentioned lease.

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 their part undertake that the proprietary rights of Russian subjects in the territory above referred to shall be perfectly respected.

Article VI.—The Imperial Russian Government engage

to transfer and assign to the Imperial Government of Japan, without compensation and with the consent of the Chinese Government, the railway between Changchun (Kuancheng-tzu) 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."

From what is quoted above, it is clear that all the rights and privileges which Russia had obtained from China by the Russo-Chinese "Agreement concerning the Southern Branch of the Chinese Eastern Railway" of 1898, have been transferred to the South Manchuria Railway. In spite of this, the authorities of the Three Eastern Provinces have followed a policy of exasperating persecution against the South Manchuria Railway, causing a great deal of harm to that company's business. Mention will be made of a few typical instances of such persecution.

(a) In virtue of the treaty stipulations mentioned above, the South Manchuria Railway is entitled freely to acquire quarries to obtain such stone as is needed on its lines. But of late the Chinese officials have repeatedly resorted to obstruction in regard to the quarries at such places as: Telissu, Hsuchiatusun, Tangwangshan, Chichiapu, Nanshan, Maitzushan, Kuchiatzu, Changtu, Chingyangpu, Shaho, Mantoushan and Chutzushan.

(b) The South Manchuria Railway has the right by treaty to acquire such land along its line as is needed for the protection or operation thereof. But since about 1919, the Chinese authorities have systematically tried to prevent the lease of such land by the company. The pending cases of this description number 59.

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(c) The South Manchuria Railway had been used, in virtue of the "Regulations concerning the Purchase of Land Required by the Fushun Mines", to purchase the privately owned land required for purposes of mining with the approval of the district magistrate concerned. But since 1924, the Chinese officials have positively refused to authorize, and more recently have obstructed, such purchases of land.

(d) Notwithstanding the fact that the railway zone is by treaty under the absolute and exclusive administrative control of Japan, the Chinese authorities have levied consumption tax within the railway zone at Sintaitze, Ssupingkai and Chienshan near Anshan.

(e) In contravention of the treaty stipulations mentioned above, the Chinese authorities have imposed taxes upon the Chinese living within the railway zone. In spite of Japanese protests, they persist in posting inspectors at the boundary line and, by this and other means, enforce taxation upon these Chinese.

2 Infringement of Article VIII of the Additional Agreement to the Treaty Relating to Manchuria

Article VIII of the Additional Agreement contains the following provisions:

"The Imperial Chinese Government engage that all materials required for the railways in South Manchuria shall be exempt from all duties, taxes and *likin*."

This stipulation has been violated by China on several occasions. Mention will be made here of two recent cases.

(a) Since February 1, 1927, the Chinese authorities have collected a tax from the Chinese merchants who supply sleepers to the South Manchuria Railway Company, the rate being 50 per cent of the value. The burden of the tax has of course been shifted to the company.

(b) In 1928 the number of sleepers purchased by the South

Manchuria Railway reached a million. The Chinese authorities thereupon stopped the issue of the permits necessary for exemption from taxation on the ground that the number of sleepers required was too large. The issue of permits was only resumed after the lapse of a year. (For other instances of Chinese infringements of treaties in regard to the South Manchuria Railway, see Part II of "Relations of Japan with Manchuria and Mongolia.")

3 Infringement of the Undertaking in Respect of Parallel Railway Lines Recorded in the Protocols of the Conference of Peking, 1905

1. At the time the Treaty relating to Manchuria was negotiated in 1905, the Japanese Government, at the request of the Chinese Government and in consideration of circumstances connected with China's domestic and international affairs, agreed to have certain matters, which should properly have formed part of the treaty, recorded in the protocols of the conference. These protocols were signed by the respective delegates of Japan and China, but were withheld from publication. Now, these protocols contain the following undertaking as regards the question of lines parallel to those of the South Manchuria Railway Company:

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

In the face of this indisputable engagement, China has, despite strong Japanese protests, constructed a number of lines parallel to the South Manchuria Railway line, in pursuance of a policy of

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encircling the latter to its financial ruin. (For details see Part II of "Relations of Japan with Manchuria and Mongolia.")

4 Infringement of the Undertaking with Regard to the Maintenance of Peace and Order in Manchuria Recorded in the Protocols of the Conference of Peking, 1905

Another part of the said Protocols contains the following provisions concerning the Chinese Government's responsibility for the preservation of peace and order in Manchuria:

"The Chinese Plenipotentiaries declare that immediately after the withdrawal of the Japanese and Russian troops from Manchuria, China will proceed to take, in virtue of her sovereign right, full administrative measures to guarantee peace in that region and endeavour, by the same, right, to promote good and remove evil as well as steadily to restore order, so that the residents of that region, natives and foreigners, may equally enjoy the security of life and occupation under the perfect protection of the Chinese Government. As to the means of restoring order, the Chinese Government are to take by themselves all adequate measures."

Notwithstanding the fact that there exists such a definite and binding engagement, the Chinese Government, during the past twenty-five years, being constantly involved in internecine strife, have been incapable of maintaining peace and order in Manchuria. Apart from the localities where the protection of the Japanese police and military is assured, the local population has during all this time been subject to pillage and extortions by bandits. An eloquent commentary upon this fact is supplied by the gravitation of population and prosperity in the direction of the Japanese railway zone and its vicinity.

V

Infringement of the Agreements about the Establishment
of a Maritime Customs Office at Dairen and the
Inland Waters Steam Navigation, 1907

**1 Infringement of the Agreement about the Establishment
of a Maritime Customs Office at Dairen**

1. Paragraph 9 of this agreement contains the following provisions regarding foreign merchandise which, after having been landed at a Chinese open port and paying import duty, is transhipped to Dairen :

“ For Japanese and other non-Chinese merchandise, on being shipped to Dairen from a Chinese Treaty port, the Import Duty paid at the latter port shall be refunded by Drawback according to treaty stipulations. On being imported to Dairen such merchandise shall pay no Duty, so long as it does not pass the Japanese frontier into the interior of China. On being re-exported from Dairen to other places outside China, such merchandise shall pay no Export Duty.”

2. In virtue of the above stipulations, it always used to be the rule that the import duty paid on foreign merchandise at a Chinese treaty port should be refunded in case such merchandise was shipped to another Chinese open port or to a foreign country. But upon the resumption of tariff autonomy, China abolished this rule in April, 1931, in so far as it concerns the re-exportation of foreign merchandise, while, with regard to shipment to another Chinese open port, it was arranged that exemption certificates should be

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issued so as to prevent such merchandise being taxed twice. Despite this unequivocal stipulation with regard to Dairen, the Chinese authorities refuse not only to refund import duty in respect of merchandise re-exported to that port, but even to issue exemption certificates for it. As the result of this unlawful conduct:

(a) When foreign merchandise, on which import duty has been paid at a Chinese treaty port, is shipped to Dairen, such duty already paid is not refunded, in flagrant violation of paragraph 9 of the said agreement, and

(b) When such merchandise is carried over the borders of the Leased Territory into the interior of China, import duty will have to be paid again at Dairen.

This unlawful discrimination against Dairen has placed that port in a very disadvantageous position. Japan has protested to Nanking on several occasions, but so far without any effect.

2 Infringement of Paragraph 2 of the Agreement about the Inland Waters Steam Navigation

Paragraph 2 of this agreement contains the following provisions concerning the issue by the Dairen Customs House of the inland waters certificate:

"Steamers about to ply in the inland waters are required to deposit their national papers, Foreign or Native, with the Customs, and will receive in exchange, on written application, the Inland Waters Certificate; such Certificates are valid for one year, and a fee of Tls. 10 is payable on first issue and Tls. 2 for each annual renewal. Tonnage Dues are payable once every four months."

From the above provisions, it is clear that any change in the

amount of the fees requires the consent of both parties to the agreement. But in November, 1930, the Chinese Government unilaterally and without any previous notice increased the fees to an amount double of those specified in the agreement. The reason given for this measure by the Chinese Government was the depreciation of silver, so the Japanese Government refrained from taking any steps to contest the application of the increased fees. It is, however, quite clear that the measure in question constitutes an infringement of treaty engagements.

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VI

Infringement of the Agreement Concerning Chientao, 1909

1 Infringement of Articles III and V of the Agreement

1. Article III of the agreement recognizes the right of Koreans to engage in farming in the Chientao district, in the following terms:

"Article III.—The Government of China recognizes the residence of Korean subjects, as heretofore, on agricultural lands lying north of the River Tumen. The limits of the district for such residence are shown in the annexed map."

Article V of the same agreement stipulates concerning the protection of the Korean farmers in that district as follows:

"Article V.—The Government of China engages that land and buildings owned by Korean subjects in the mixed residence district to the north of the River Tumen shall be fully protected equally with the properties of Chinese subjects. Ferries shall be established on the River Tumen at places properly chosen, and people on either side of the river shall be entirely at liberty to cross to the other side, it being, however, understood that persons carrying arms shall not be permitted to cross the frontier without previous official notice or passports. In respect

of cereals produced in the mixed residence district, Korean subjects shall be permitted to export them out of the said district, except in time of scarcity, in which case such exportation may be prohibited. Collection of firewood and grass shall be dealt with in accordance with the practice hitherto followed."

Reference may here be made to the Treaty Respecting South Manchuria and Eastern Inner Mongolia, Article II and III of which contain the following provisions:

"Article II.—The subjects of Japan shall be permitted in South Manchuria to lease land necessary either for erecting buildings for various commercial and industrial uses or for agricultural purposes.

"Article III.—The subjects of Japan shall have liberty to enter, travel and reside in South Manchuria and to carry on business of various kinds—commercial, industrial and otherwise."

From these treaty stipulations, it will be seen that Koreans have the right to engage in agriculture in any part of South Manchuria.

2. The immigration of Koreans into Manchuria has a long history. At first when Manchuria was very sparsely populated, the Chinese authorities, who were aware of the efficiency of Koreans as farmers, were disposed to welcome them as settlers. The Koreans immigrating into Manchuria, therefore, have naturally increased, until their number, according to the registration kept by the various Japanese consulates, exceeds 600,000 as it does now. But of late the Chinese authorities have issued secret instructions whereby the settlement of Koreans in Manchuria has been rendered difficult. In certain districts, for instance, Koreans are subjected to severe oppression by means of heavy taxes. Everywhere efforts are made to make it

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increasingly difficult for Koreans to hold on to their hard-won settlements. (For further details, see Part II of "Relations of Japan with Manchuria and Mongolia.")

2 Infringement of Article VI of the Agreement

Article VI of the Agreement concerning Chientao stipulates concerning the Kirin-Hueining Railway as follows:

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

In 1918 the Chinese Government concluded with the Industrial Bank of Japan, the Bank of Taiwan and the Bank of Chosen, a "Preliminary Agreement for a Kirin-Hueining Railway Loan" and received 10,000,000 yen as an advance. But nothing resulted from the transaction. In 1925, however, a contract was entered into between the South Manchuria Railway Company and the Chinese Government for the construction of the Kirin-Tunhua line, which was opened for traffic in October, 1928. On May 15, the same year, the same railway company had concluded a contract with the Communications Department of the Peking Government for the extension of the above-mentioned line beyond Tunhua within a year from the date of the signing of the contract. But nothing has been done to start work owing to the lack of sincerity on the part of the Chinese Government. It is now 23 years since the signing of the Chientao

Agreement, in which it was for the first time arranged to connect Kirin with Hueining by rail, and yet the line still remains to be completed.

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VII

Infringement of the Agreement Concerning Mines and Railways in Manchuria, 1909

Infringement of Article IV of the Agreement

With regard to the Antung-Mukden Railway and the working of mines along the South Manchuria Railway, it was stipulated in the Protocols of the Sino-Japanese Conference of 1905 as follows:

"With regard to the mines in the Province of Fengtien, appertaining to the railway, whether already worked or not, fair and detailed arrangements shall be agreed upon for mutual observance."

Subsequently, in 1907, a memorandum was signed by the Japanese Consul-General at Mukden and the Viceroy of the Three Eastern Provinces regarding the mines along the Antung-Mukden Railway, Paragraph 3 of which reads as follows:

"All coal, iron, tin, and lead mines situated near the railway may be worked conjointly after officials of both countries have made an inspection. The operators concerned should specify exactly the localities to be worked and petition the Viceroy of Manchuria and the Governor of Fengtien, who, after giving their consent, will ask for an edict permitting the work to be carried on. The conditions of working the mines will be similar to those contained in the Agreement of Lin-ch'eng Hsien."

In 1909 this memorandum was put into the form of an agreement, and in Article IV it was stipulated thus :

“ All mines along the Antung-Mukden Railway and the main line of the South Manchuria Railway, excepting those at Fushun and Yentai, shall be exploited as joint enterprises of Japanese and Chinese subjects, upon the general principles which the Viceroy of the Eastern Three Provinces and the Governor of Mukden agreed upon with the Japanese Consul-General in the fortieth year of Meiji, corresponding to the thirty-third year of Kuangshu. Detailed regulations in respect of such mines shall, in due course, be arranged by the Viceroy and the Governor with the Japanese Consul-General.”

Japan's rights and interests in mines and mining enterprises in Manchuria are guaranteed by the various agreements just mentioned and by various other treaties and agreements. But it is a notorious fact that the Chinese authorities in the Three Provinces of Manchuria have latterly been endeavouring by all sorts of illegal means to hamper the practical exercise of these rights by Japanese. (*Vide* “Relations of Japan with Manchuria and Mongolia”, Part II.)

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VIII

Infringement of the Detailed Regulations for
the Fushun and Yentai Mines, 1911Infringement of Articles II and VI of the
Regulations

1. The right of working the collieries at Fushun and Yentai was established by Article III, Paragraph (a) of the "Agreement concerning Mines and Railways in Manchuria," 1909, as belonging to the Japanese Government. And it was in virtue of Paragraph (d) of the same article, that the said detailed regulations were drawn up in 1911. Articles I, II and VI of the regulations contain stipulations concerning taxation in regard to the mines in question, as follows:

"Article I.—The South Manchuria Railway Company (hereinafter referred to as the Company) agrees to pay to the Chinese Government a mining tax for the coal of the Fushun and Yentai mines (hereinafter referred to as the two mines), which shall be fixed at five per cent. of its value at the mouth of the mine, provided that as long as the output of coal is less than 3,000 tons of coal per day the amount of the tax shall be computed by fixing the price at the mouth of the mine at one *Keping tael* per ton, and when the output per day exceeds 3,000 tons, at one Yen (Japanese currency) per ton.

Article II.—The Company agrees to pay to the Chinese maritime customs for the coal of the two mines exported from a point of maritime navigation an export tax which shall be computed at one-tenth of a *Haikwan tael* per ton, that is to say, at the rate of one mace silver.

The export tax for coal of the two mines exported overland through Chosen or Russia shall be separately decided afterwards."

.....

"Article VI.—In addition to taxes in accordance with Articles I and II, there shall be no other taxes for the coal of the two mines such as the imposition of likin and other fees, but in case the taxes in respect to other coal are fixed at a rate lower than that for the two mines, the Company also shall have the right to have the taxes made equal.

In lieu of the likin and other taxes mentioned in the foregoing paragraph, the Company shall pay to the Chinese Government Yen 50,000 per annum in four instalments in the same manner as mentioned in paragraph 2 of Article III.

The Chinese authorities shall take steps to make it known generally in the various provinces that the coal has been freed from likin and other charges."

2. With regard to the export tax on the coal from the mines at Fushun and Yentai, Article II of the regulations fixes the rate on coal exported from "a point of maritime navigation" at one *mace* silver per ton, while the rate for coal exported overland to Korea and Russia was to be fixed later. This latter rate was established by an agreement between the South Manchuria Railway and the Chinese authorities at one *mace* silver per ton, which has consequently come to be the uniform rate for coal exported by sea or by land.

As a corollary to the stipulations of Article VI to the effect that "in addition to taxes in accordance with Articles I and II, there shall be no other taxes for the coal of the two mines such as the

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imposition of likin and other fees," and further that "in lieu of the likin and other taxes mentioned in the foregoing paragraph, the Company shall pay to the Chinese Government Yen 50,000 per annum," it will be concluded that the export tax upon the Fushun and Yentai coal was a special arrangement in return for the mining tax and the annual contribution of 50,000 yen. It is, therefore, to be regarded as an arrangement quite independent of the general export tariff stipulated for in treaties of commerce.

3. Upon the resumption of tariff autonomy, the Chinese Government effected a revision of the export tariff and increased the rate for coal to 3.4 mace per ton as from June 1, 1931. It was on May 30,—that is to say two days before the coming into force of the new tariff, that it was intimated to the South Manchuria Railway Company that the revised rate would be applicable to the Fushun and Yentai coal as well. This step on China's part is clearly illegal. But the Chinese Government took up the position that, since Japan had recognized China's customs autonomy by Article I of the Sino-Japanese Agreement of 1930, all arrangements regarding customs tariffs, whether embodied in the Treaty of Commerce and Navigation or in any other treaties or agreements whatever, had become null and void. All our protests have failed to make China reconsider her attitude in this matter.

IX

**Infringement of the Treaty Respecting
the Province of Shantung, 1915****Infringement of Article III of the Treaty**

Article III of this Agreement provides for the opening of suitable towns in Shantung for foreign trade as follows :

“The Chinese Government agrees in the interest of trade and for the residence of foreigners, to open by China herself as soon as possible certain suitable places in the Province of Shantung as Commercial Ports.”

Subsequently, at the time of the Washington Conference, at the 24th session of the conference on the question of Shantung, held on January 12, 1922, the Chinese delegation, referring to this matter, stated that the Government of China would at a proper opportunity make a declaration as to the selection of the towns which that Government might consider suitable to be opened, and that the regulations applicable to such open towns would be drawn up with a view to according resident foreigners fair treatment from the point of view of the promotion of foreign trade. Placing confidence in this statement of the Chinese delegation, the Japanese delegation refrained from insisting upon the conclusion of any treaty or agreement on this matter. The Japanese delegation, however, stated formally at the conference that the Chinese Government would see to it that no measure would be taken likely to lead to the eventual expulsion of Japanese from the former German leased territory of Kiaochow and the localities along the line of the Tsingtao-Tsinanfu Railway, and further that, relying upon the assurance given by the Chinese delegation

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as to the fact of fair treatment of foreigners being the basic principle of the regulations to be drawn up for the places to be opened to foreign trade, it would abstain from requesting that foreign Powers be consulted in the drafting of such regulations, but it would reserve the right to protest, in case such regulations were not considered fair and just.

The Chinese Government, however, have not yet taken any definite measure for the materialization of the above undertaking. The only thing they did was to state, in reply to a note from the Japanese Minister in China in November, 1922, that it had been decided at a Cabinet council to open Weihsien, Choutsun, Tzechwan and five other places. That was the last heard about the matter, and these places still remain to be opened.

X

Infringement of the Treaty Respecting South Manchuria
and Eastern Inner Mongolia, 1915

This subject is treated fully in Part II of the "Relations of
Japan with Manchuria and Mongolia."

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XI

Infringement of the Notes Exchanged Respecting the Matter of the Hanyehping Company, 1915

1. In 1915 the Foreign Minister of the Chinese Government, in a note addressed to the Japanese Minister to China, gave an assurance that the Chinese Government would not confiscate the Hanyehping Company,—an English translation of which assurance reads as follows:

"I have the honour to state that if in future the Hanyehping Company and the Japanese capitalists agree upon co-operation, the Chinese Government, in view of the intimate relations subsisting between the Japanese capitalists and the said Company, will forthwith give its permission. The Chinese Government further agrees not to confiscate the said Company, nor, without the consent of the Japanese capitalists, to convert it into a state enterprise, nor cause it to borrow and use foreign capital other than Japanese."

2. The Hanyehping Company is a Chinese joint stock company, whose operations consist in manufacturing iron at its works at Hanyang, the ores being obtained at Tayeh and the coal at Pinghsiang. In 1903, it obtained a loan of 5,000,000 yen from the Industrial Bank of Japan. Later, the company turned for financial accommodation to the Yokohama Specie Bank, which advanced it altogether 23,000,000 yen in round numbers on ten separate occasions beginning in 1907. These loans were secured upon the company's collieries at Pinghsiang, the iron mines at Tayeh, the ironworks at Hanyang, and all its other properties. It was arranged that

payment upon these loans should be made from the proceeds of the sale of pig-iron and iron ores to the ironworks in Japan. It was for the purpose of assuring the security of these loans that the exchange of notes, already referred to, took place between the Governments of the two countries. Since then the company being again involved in financial difficulty, the Yokohama Specie Bank had to supply it with a fresh loan of 8,500,000 yen in January, 1925. Again in August, 1926, it approached Japanese financiers for an accommodation for the purpose of rehabilitating its business. As the result of conversations between the respective parties, it was agreed that a loan of 2,000,000 yen should be supplied on condition—(a) that the company should appoint a committee for adjusting its finances and extending its operations, in which an adviser recommended by the Japanese financiers should participate; (b) that the chief adviser to be despatched from Japan should be consulted on all important matters; (c) that a Japanese accountant adviser and a Japanese chief engineer should be appointed; and (d) that the ironworks in Japan should have the right to purchase pig-iron and iron ores from the company at a fixed price. It was further promised on the Chinese side that in the event of disturbances and other occurrences preventing the carrying out of the obligations stipulated in the contract, a person or persons designated on the Japanese side should, as a temporary measure, be invested with the right to direct affairs at the iron mines and the ironworks.

As the result of these transactions the liabilities of the Han-yehping Company to the Japanese financiers have reached the total of 35,000,000 yen (or 50,000,000 including interest in arrear). The condition of the company's business being not satisfactory, the Japanese creditors are suffering a great loss, as payment of capital and interest has not been carried out as agreed upon. On account of continued disturbances, labour troubles, and inefficient management, the company's financial condition is becoming worse and worse. As a matter of fact, since October, 1925, activity has been nearly suspended at

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the collieries at Pinghsiang and the ironworks of Hanyang and Tayeh, the only operation still kept active being the mining of iron ores.

3. In March, 1927, the Wu-han Nationalist Government organized a committee for the readjustment of the affairs of the Hanyehping Company, and in May the same year they appointed a committee for the supervision of the work at the Pinghsiang collieries. The object kept in view in taking these steps was to take over the business of the company. That Government also illegally imprisoned officials of the company, confiscated the produce of the afore-said collieries, and tried to assume control of the steamships and piers belonging to the company. In these ways it did much harm to the company's business. After the downfall of the Wu-han Government in November, 1927, this policy was proceeded with by the Nanking Government. On the 23rd of that month, the Communications Department of that Government promulgated temporary regulations with regard to the Hanyehping Company Readjustment Committee, which on the whole were similar to the regulations that had been enacted by the Wu-han Government. It was evident that the Nanking Government were thus taking steps towards the ultimate assumption of control of the business of the company in question. Against these illegal actions on the part of the Nanking Government, repeated protests were lodged by the Japanese Government through the Japanese consuls at various localities concerned. At the same time, an inofficial representative was sent to China to take the matter up directly with the Chinese authorities with a view to strengthen the protests lodged by the consuls. He was specially instructed to caution the Nanking Government in courteous language not to appropriate to themselves the rights and properties of the company by their own unilateral decision and without the consent of Japan, which would be a violation of the agreement between the two countries. In accordance with the above representations, a spokesman of the Chinese Government declared that they would respect the Japanese

rights and interests in the Hanyehping Company, and that the company's business would not be taken over without Japanese consent.

4. On March 1, 1929, however, the Department of Agriculture and Mining of the Nanking Government, issued orders to the Hanyehping Company to hand over all its property to the custody of the Readjustment Committee within two weeks. Thereupon the Japanese Government instructed the Consul-General at Shanghai on March 9, to present a strong protest to the Foreign Department of Nanking, pointing out that the step just taken by the Department of Agriculture and Mining was unlawful, being contrary to the above-mentioned definite engagement given by a representative of the Nanking Government. The Chinese Department of Agriculture and Mining issued again on April 2 the same orders to the Hanyehping Company. Japan at once protested against this, and a similar protest had to be repeated again and again to prevent the Chinese Government from taking drastic measures. But the matter was made a subject of discussion at the Plenary Session of the Kuomintang at Nanking on June 17, the same year, when it was resolved that the National Government should dispatch a special commission for the purpose of adjusting the affairs of the Hanyehping Company and that the company should be placed under the direction and supervision of a committee to be created specially for that purpose. Efforts are thus continued to carry out the original idea of taking over the property of the company. For this purpose, the officials of the company are subjected to all sorts of persecutions. In addition to the oppression from Nanking, the Provincial Government of Hupei is also trying to bring the company under its control on the strength of an old financial claim upon it. Under these circumstances, the company's business is in a deplorable condition, causing serious damage to the interests of the Japanese creditors.

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XII

Infringement of the Treaty for the Settlement of Outstanding Questions Relative to Shantung, 1922, and of the Agreement on Detailed Arrangements for the Execution of the Treaty for the Settlement of Outstanding Questions Relative to Shantung, 1922

1 Infringement of the Annexes II and VI to the Treaty

1. Article XXIII of the "Treaty for the Settlement of Outstanding Questions relative to Shantung," provides for the opening to foreign trade of the former German Leased Territory of Kiaochow, while the Annexes II and VI to the said treaty provide for the right of the Japanese residents at Tsingtao to participate in the municipal administration of that city and other matters as follows:—

"Annex II. It is understood that public properties to be transferred to the Government of the Chinese Republic under Article V of the present Treaty include (1) all public works, such as roads, water-works, parks, drainage and sanitary equipment, and (2) all public enterprises such as those relating to telephone, electric light, stock-yard and laundry.

The Government of the Chinese Republic declares that in the management and maintenance of public works to be so transferred to the Government of the Chinese Republic, the foreign community in the former German Leased Territory of Kiaochow shall have fair representation."

.....

"Annex VI. The Government of the Chinese Republic declares that, pending the enactment and general application of laws regulating the system of local self-government in China, the Chinese local authorities will ascertain the views of the foreign residents in the former German Leased Territory of Kiaochow in such municipal matters as may directly affect their welfare and interests."

2. The enforcement of the stipulations above quoted is of particular importance to Japan who has such a large number of her nationals resident in the territory in question. But in spite of Japan's declared opposition, the Chinese Government promulgated in the Official Gazette of November 17 and 19, 1922, "Regulations for the Open Area of Kiao-ao," which ignore the right of foreign residents to participate in the municipal administration. The same issues of the Official Gazette contained, as appendix to the above-mentioned regulations, a "Regulation concerning Self-Government in Tsingtao and in the Various Communes of the Kiao-ao District." By these regulations the former German Leased Territory of Kiaochow was constituted into the "Special District of the Kiao-ao Commercial Mart," to be administered by a *Tupan* who was responsible directly to the Central Government. The Japanese Consul-General at Tsingtao called the attention of the Chinese Government on February 23, 1923, to the changes necessary in the afore-mentioned regulations to make them correspond with the provisions contained in the annexes to the treaty of 1922, but the Chinese Government have ignored that representation.

3. In July, 1925, it became to be known that the Chinese Government were considering modifications in the administrative system of the Special District of the Commercial Mart of Kiao-ao. The contemplated modifications consisted in changing the chief administrator who was then a *Tupan* into a *Shangfou-chui Tsungpan*, and in placing that official under the direct control of the Provincial Governor of Shantung. The Japanese Government at once entered a protest,

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pointing out that any change in the administrative system of the town was bound to affect the welfare of the resident foreigners, and that, consequently, in accordance with the provisions of the annexes to the treaty already mentioned, their views ought to be consulted before any final decisions were made. The Chinese Government, however, maintained that the changes they were contemplating simply concerned matters of administrative organization, and they were carried out without any consultation with foreign residents.

4. Subsequently in May, 1926, the Japanese Consul-General at Tsinan repeatedly pressed for the settlement in a concrete manner of the question of the participation of foreign residents in the administration of the former German Leased Territory of Kiaochow. But the Chinese authorities showed no inclination to take the matter up in a spirit of sincerity. Not only that, the Chinese authorities of Tsingtao carried out changes in the method of managing and maintaining the public works of the city without any attempt at ascertaining the views of the resident foreigners. The most important of these changes was the transfer of the local Telephone Office to the control of the Communications Department of the Central Government on May 18, 1929. Later in the same year the Chinese Government tried to transfer to its own control the Harbour Office at that port. In this case, owing to our timely protest, the contemplated measure did not materialize. From what has been stated, it will be seen that the foreign residents at Tsingtao, of whom the Japanese form the majority, are not given any share in the municipal government, regardless of the treaty stipulations.

**2 Infringement of Articles XIX and XX of the Treaty, and
 of Article XV of the Agreement on Detailed Arrangements
 for the Railway Involved in Outstanding
 Questions Relative to Shantung**

1. By the "Treaty for the Settlement of Outstanding Questions

relative to Shantung," it was arranged that the Tsingtao-Tsinanfu Railway, with all its attendant properties, should be handed over to China by Japan. In return, it was stipulated that, China should deliver to Japan Government Treasury Notes corresponding in amount to the estimated value of the railway property, and that the said treasury notes were to be secured on the properties and revenues of the railway and to run for a period of fifteen years.

With a view to assuring the security, Article XIX of the treaty made provisions for the appointment of Japanese to the positions of traffic manager and chief accountant as follows:

"Article XIX. Pending the redemption of the said Treasury Notes under the preceding Article, the Government of the Chinese Republic will select and appoint, for so long a period as any part of the said Treasury Notes shall remain unredeemed, a Japanese subject to be Traffic Manager, and another Japanese subject to be Chief Accountant jointly with the Chinese Chief Accountant and with co-ordinate functions.

These officials shall all be under the direction, control and supervision of the Chinese Managing Director, and removable for cause."

With regard to the same matter the "Agreement on Detailed Arrangements Involved in Outstanding Question relative to Shantung" made between Japan and China in 1922, contains the following provisions inserted with a view to protecting Japan's rights as creditor:

"Article IV. The value of the Railway properties to be reimbursed by the Government of China to the Government of Japan under Article XV of the Treaty for the Settlement of Outstanding Questions relative to Shantung

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shall be 40,000,000 Gold Yen in Japanese currency.

Article V. The amount of money mentioned in the preceding Article shall be delivered in Treasury Notes to the Government of Japan. The total amount of the face value of the Treasury Notes shall be the same amount as is mentioned in the preceding article."

.....

"Article X. The Government of China agrees that the principal and interest of the Treasury Notes shall be paid off with the income of the Kiaochow-Tsinanfu Railway, and that in case such income is not sufficient to meet them, the deficit shall be paid from other sources of revenue."

.....

"Article XV. The income of the Railway shall, before the full payment of the principal and interest of the Treasury Notes, be deposited in the Tsingtao Branch or the Tsinanfu Branch of the Yokohama Specie Bank; provided, however, that when an amount equivalent to the monthly instalment of the interest is laid by every month in the said Bank out of the income of the Railway, the remainder may be deposited in any other reliable bank which may be chosen by the Director of Administrator Bureau of the Railway.

The withdrawal of any bank deposit of the Railway shall require the signatures of both the Japanese and Chinese Chief Accountants."

2. Notwithstanding the existence, in the treaty and the agreement, of the clear and detailed stipulations quoted above, China has frequently taken steps, as described hereafter, contravening these stipulations to the serious imperilment of Japanese interests. The Japanese Government, consequently, instructed Mr. Yoshizawa, Minister to China, on March 28, 1929, to call the attention of Dr. C. T. Wang, Chinese Foreign Minister, to the following points, with a view to

assuring the operation of the Tsingtao-Tsinanfu Railway: (a) the transfer of the rolling-stock to other lines should be prohibited; (b) the receipts of the railway should not be used for any purpose until the railway's own expenses and the payment of the principal and interest of the obligations owed to the Japanese Government have been met; and (c) the number of Japanese in higher positions should be increased. The Chinese Foreign Minister's consent was obtained to these proposals. But this has not improved the situation in any way, for the Chinese have repeated acts which are at variance with the provisions of the treaty, of the agreement and even of the understanding newly arrived at.

3. It is a noteworthy fact that the Chinese illegal actions in connection with the Tsingtao-Tsinanfu Railway were chiefly accomplished by influential members of the Central Government, by the Military Governor of the Province or by individuals in the highest responsible positions of the railway administration. These illegal actions were naturally most frequent when internecine strife penetrated into Shantung. At such times the seizure of rolling-stock and its diversion to other lines was a very common occurrence. The resulting diminution of the number of carriages and vans for the conveyance of passengers and freight, led to the following consequences:

a. The payment of interest on the treasury notes (2,400,000 yen *per annum*) became difficult.

b. The interruption in the transport of coal, miscellaneous goods, raw materials and so forth, led to a temporary suspension of all commercial transactions in Shantung. Serious damage was in this way inflicted upon the Japanese engaged in mining, trade, and industry in that province.

c. The Nippon Yusen Kaisha, the Osaka Shosen Kaisha and the Harada Kisen Kaisha, which maintain the Tsingtao service under contract with the Japanese Government, suffered much loss owing to the scarcity of freight. These services were maintained with great difficulty.

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d. Chinese goods which had formerly been exported abroad by the Tsingtao-Tsinanfu Railway and through Tsingtao, were diverted to Tientsin and Shanghai.

4. The acts committed by the Chinese to the prejudice of the Japanese rights and interests in the Tsingtao-Tsinanfu Railway, may be recounted as follows:

A. Arbitrary use of rolling-stock—encroachment upon the powers of the Japanese Traffic Manager:

a. At the time of the Chihli-Mukden war in 1924, about 400 goods vans were transferred to the Tientsin-Pukow line in order to transport the Chihli forces. Further, on October 21, 1925, General Chang Tsung-chang, Military Governor of Shantung, ordered the Tsingtao-Tsinanfu Railway to concentrate at Tsinan all the rolling-stock other than passenger carriages for the conveyance of his troops to fight against General Sun Chuang-fang who was then at Nanking.

b. Shortly after the outbreak of the fighting in October, 1925, General Chang, as already stated, ordered the suspension of all freight transport and ordered all the locomotives and goods vans to be concentrated at Tsinan. Since then the bulk of the goods vans have been transferred to the Tientsin-Pukow line, while those which remained were used for local military requirements, the result being an almost total interruption of business on the Tsingtao-Tsinanfu Railway. The requisition of the rolling-stock for military purposes reached the limit on February 3, 1926, when the wagons actually employed for the carriage of ordinary passengers and freight was less than 1 per cent of the whole equipment belonging to the railway. Business men, faced with the plight, petitioned the Military Governor and were eventually allowed the use of a certain number of vans on paying the so-called "Labour and Military Expense" of 30 dollars per wagon. But the slight improvement thus secured did not last long. Consequently, on January 14, 1926, they had to increase the

said "Expense" to 100 dollars per wagon in order to obtain the service of a limited number of goods vans. This state of affairs lasted till the end of 1926.

c. On June 24, 1929, General Chiang Kai-shek ordered the Administration of the Tsingtao-Tsinanfu Railway to send 38 wagons to the Tientsin-Pukow line to be used for military purposes against General Feng Yu-hsiang. Again in October, the same year, he ordered 70 wagons to be turned over to the Tientsin-Pukow line for the same purpose.

d. At the beginning of June, 1930, when the Shansi army threatened Tsinan, the traffic on the Tsingtao-Tsinanfu Railway was stopped for a month and a half, owing to the necessity of conveying the troops of the Nanking forces and the forces of Han Fu-chu, the new Military Governor of Shantung. Altogether the Government army at one time was using as many as 207 wagons, belonging to the Tsingtao-Tsinanfu Railway on the Tientsin-Pukow line, while General Han requisitioned 268 wagons for the conveyance of his troops. Finally Li Yun-heng's army (Honan) requisitioned 33 wagons of the same railway for use on the Tientsin-Pukow line for the purpose of sending his troops to the Lung-hai Railway.

B. Infringement of the right of supervising accounts :

a. Despite the understanding between Japan and China that the income of the Tsingtao-Tsinanfu Railway, as already stated, shall not be diverted to any other purpose until the requirements for the defrayal of the expenses of the railway and for the payment of the interest and principal on the obligations to the Japanese Government have been met, the Railway Department of the Central Government and the Provincial Government of Shantung have frequently ordered the railway to pay contributions, which altogether amounted to 140,000 dollars by July, 1929. A protest was made on this matter by the Japanese Government, but so far from it being heeded by the Chinese Government, the Railway Department issued instructions

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to the Tsingtao-Tsinanfu Railway in April, 1931, to establish a special fund, which could be disposed of without any outside interference. The fund was to be created by raising the railway fares by 20 per cent as from May 1, and the proceeds obtained from these increased fares were to be deposited at a bank in the name of the Railway Department, and against this deposit cheques might be made out with the signature of the "Railway Committee." This is a flagrant violation of the understanding to which allusion has been already made. It also contravenes the treaty stipulations concerning the requirement as to the counter-signature by the Japanese and Chinese Chief Accountants.

b. According to Article XI of the said "Agreement on Detailed Arrangement for the Railway" the interest on the treasury notes is payable in two equal instalments of 1,200,000 yen each in June and December every year. Article XV of the same agreement provides that, although the income of the railway should as a rule be deposited at the Tsingtao branch of the Yokohama Specie Bank, the balance remaining after the sum of 200,000 yen, representing a monthly quota of the interest payment, shall have been deposited at the said bank, may be deposited at any other bank of good reputation. But the railway administration has failed to comply with these stipulations, its monthly deposit at the Yokohama Specie Bank dwindling down to one-third the agreed amount by May and June of 1931.

c. In 1924, the Military Governor of Shantung, Chang Tsung-chang, issued a new paper currency called the Shantung Treasury Notes, of which the amount in circulation reached 1,800,000 dollars by August that year. He forced the railway administration to accept the new notes. He also established, in the above-mentioned month, a new bank for his own purposes to be called by the name of the Provincial Bank of Shantung, and at the same time he ordered the railway administration to deposit at the said bank its fund over and above the amount required for the payment of interest upon its obligations to the Japanese Government. Further, he ordered the

same administration not to accept any currency except the notes issued by the Provincial Bank of Shantung or silver cash. Of these innovations, the former was meant as a prohibition against the depositing of fund at the Yokohama Specie Bank, while the object of the latter was to prevent the acceptance of the notes issued by the Japanese bank.

d. On October 29, 1924, the Military Governor Chang issued orders to the Tsingtao-Tsinanfu Railway to offer to the Provincial Government as military expenses a contribution of 2,000,000 dollars out of its bank deposits of 2,800,000 dollars. He threatened, in case his orders were not complied with, to shoot the Assistant Director and the Chinese Chief Accountant of the railway. These two officials of the railway handed over to General Chang a sum of 1,600,000 dollars, made up of two cheques (without the necessary signature of the Japanese Chief Accountant), one of 800,000 dollars upon the Provincial Bank of Shantung and another of 800,000 dollars upon the Bank of Communications at Tsingtao. (On this matter a strong protest was subsequently made by the Japanese Government, as the result of which the Chinese banks in question made good the amounts illegally paid out.)

**3 Infringement of Article XXII of the Treaty, of Articles XXI—
XXV of the Agreement on Detailed Arrangements for
the Execution of the Treaty, and of Annex
IX to the Agreement**

1. Article XXII of the treaty makes the following stipulations respecting the mines at Tsechwan, Fangtze and Chinlingchen :

“ Article XXII.—The mines of Tsechwan, Fangtze and Chinlingchen, for which the mining rights were formerly granted by China to Germany, shall be handed over to a company to be formed under a special charter of the Government of the Chinese Republic, in which the amount

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of Japanese capital shall not exceed that of Chinese capital.

The mode and terms of such arrangement shall be determined by the Joint Commission provided for in Article II of the present Treaty."

In accordance with the provisions of the last paragraph of the above quoted article, Articles XXI to XXV of the "Detailed Agreement" provide as follows:

"Article XXI.—The Governments of Japan and China, in order to establish the company provided for in Article XXII of the Treaty for the Settlement of Outstanding Questions relative to Shantung, shall cause the inaugural committees elected respectively by the Japanese and Chinese financial groups to undertake the business connected with the establishment of the said company.

Article XXII.—The Government of Japan, when the company has been established under a special charter of the Government of China, shall hand over to the said company the mines of Tsechwan, Fangtze and Chinlingchen as well as the properties appurtenant thereto.

Article XXIII.—The company mentioned in the preceding Article shall be made a joint concern of Japanese and Chinese nationals, its capital to be subscribed one-half by the Japanese and the other half by the Chinese.

The same shall apply in case of an increase in the capital of the said company.

Article XXIV.—The amount of compensation to be paid by the above-mentioned company to the Government of Japan shall be 5,000,000 Gold Yen.

Article XXV.—Detailed arrangements relative to the payment of the compensation mentioned in the preceding Article shall be agreed upon between the Government of

Japan and the said company on the latter's establishment."

Further, respecting the mining company to be organized as a Sino-Japanese joint undertaking, Annex 1X to the said "Detailed Agreement" contains the following provisions:

"6. The Company shall enjoy treatment equal to that accorded to other persons or groups of persons working mine who enjoy the minimum rates and the most favourable treatment in China in regard to Mining Area Tax, Mining Output Tax, Maritime Customs duties and all other imposts.

7. The Government of China shall, for the transportation of the Company's coal, coke and ore, cause the same favourable treatment to be accorded to the company as is enjoyed by mining companies in other places in regard to special freight charges, the assignment of freight cars, the erection of storehouses for coal, coke and ore, the extension of railway lines and other matters. Details of such arrangements shall be agreed upon between the Mining Company and the Kiaochow-Tsinanfu Railway.

8. The coal required by the Kiaochow-Tsinanfu Railway shall be supplied by the Company at approximately cost price.

9. The Government of China guarantee that they will permit the establishment at the Tsingtao Wharves in future of wharves for the exclusive use of the mines in Shantung.

The site of the said wharves and other details shall be agreed upon between the Administration of the Port of Kiaochow and the Company as occasion may require.

10. The Company, in its relations with railways and

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wharves, in addition to what has been stated in the foregoing Paragraphs, shall enjoy the most favourable treatment which is enjoyed by other mining companies in China."

2. In accordance with the above stipulations a Sino-Japanese joint concern under the name of *Lu-ta Kungssu* was established in August, 1923, with a capital of 10,000,000 dollars, equally subscribed by Japanese and Chinese, to which the Japanese Government handed over the mines at Tsechwan, Fangtze and Chinlingchen, as well as properties appertaining thereto. With regard to the payment of 5,000,000 yen to the Japanese Government as provided for in Article XXIV of the "Detailed Agreement," it was arranged that the said company, when declaring a dividend above and over 8 per cent *per annum*, should pay to Japan an amount corresponding to one half of the profit remaining after the payment of the dividend at such a rate.

3. Through such arrangements Japan has come to have special interests in the *Lu-ta Kungssu*. The business of this concern, however, has not been satisfactory, a state of affairs for which, as in the case of the railway already described, illegal actions on the part of the Chinese authorities are responsible more than anything else. Mention must be made above all of the repeated attempts on the part of the provincial authorities to confiscate the company's property, and the unlawful levies imposed on the concern. In times of civil war the military authorities frequently requisitioned the rolling-stock belonging to the Tsingtao-Tsinanfu Railway for the purpose of military transport, at the expense of general passenger and goods traffic, with the consequence that the coal and ore were accumulated at the pit-head with no possibility of marketing them, causing heavy losses to the company. Of such illegal actions committed by the Chinese authorities against the company a general outline may be given below.

4. *Confiscation of the shares held by Chinese:* The Military Governor of Shantung, hard pressed for military expenses, made an attempt in May, 1925, at the confiscation of the company's shares held by Chinese. On the ground of financial stringency of the Province of Shantung he made a demand on the Chinese directors of the company to transfer to the Provincial Government a large portion of the shares held in the names of Chinese citizens. While this scheme was suspended for the time being through Japanese protests, negotiations were resumed in September with the company with the result that shares held by the Chinese directors to the value of 300,000 dollars were transferred on the 17th of the same month, which transaction, however, was declared invalid in the view of the company.

5. *Illegal taxation:*

a. The Military Governor of Shantung on August 22, 1925, notified the Lu-ta Company, through the Director of the Industrial Bureau of the Provincial Government, that a new production tax would be imposed on all mines in Shantung at the rate of 40 cents per ton, and that the company, whose annual output was assessed at 700,000 tons was to pay the amount of 280,000 dollars within ten months. The company, however, refused to comply with this demand, because it was contrary to the charter granted by the Chinese Government for the establishment of the company, wherein it is provided that the mining production tax is to be fixed in accordance with the provisions of the Mining Law (according to which the coal production is to be taxed at the rate of 15 thousandths of the market price at the place of production).

b. The Military Governor made a demand on the company on September 30, 1925, to pay as a mining area tax an amount of more than 400,000 dollars or at the yearly rate of 20 cents *per mu*. The company rejected the demand.

c. Further, on October 9, 1925, the Military Governor made a demand on the company to transmit the mining production tax that

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it had been paying to the Agricultural and Commercial Department of the Central Government directly to the Industrial Bureau of the Provincial Government. The company refused its compliance.

6. *Export duty on coal*: On March 25, 1927, the Military Governor of Shantung, under the pretext of preventing Shantung coal from being supplied at Shanghai to the Navy of the Nationalist Government, prohibited the exportation of coal from Tsingtao to other ports. Under these circumstances the Tsingtao-Tsinanfu Railway Administration refused, on and after March 29, to undertake the carriage of coal. Upon a protest made by the Japanese Consul-General at Tsinan, the company was further requested to make contributions towards defrayal of the cost of munitions of war, and also to pay an extraordinary export duty, in return for the raising of the coal embargo, which, however, remained in force until June 1.

4 Infringement of the "Agreed Terms of Understanding" Concerning the Detailed Agreement (III)

In the Group III of the "Agreed Terms of Understanding" is contained a statement of the Chinese Government which reads as follows:—

"The Government of China declare that they will, in accordance with the fixed plan, proceed with and complete the work for the extension of No. 1 Wharf at Tsingtao which is now in process of construction by the Japanese authorities."

Japan, in consideration of the fact that the Japanese authorities had been engaged in this work of extension since 1921 on a 4-year programme, secured from the Chinese Government a declaration, on the occasion of settling the outstanding questions relative to Shantung, to the effect that the same work would be carried through to completion

as originally planned, and further that China should grant Japan a preferential right in case China should require a foreign loan on the security of the wharf in question. It was upon this understanding that the work, together with the construction material, was handed over to China. The Chinese Government, however, has not only failed to do anything by way of extending the wharf, but has even taken measures contrary to the afore-said statement.

To give an example, the director of the Wharfs Administration of Kiao-ao, acting under instruction from higher quarters, concluded a contract under date of January 29, 1927, for the sale of the dredger "*Santô Maru*", which had been turned over to the Chinese authorities on the promise of its being used in reconstructing the said No. 1 wharf. While this proceeding was dropped upon a strong protest made by the Japanese Consul-General at Tsingtao, it nevertheless showed that China had no intention of going on with the work of extending the wharf.

5 Infringement of the Annex II to the Treaty for the Settlement of Outstanding Questions Relative to Shantung, and of the Annex VI to the Detailed Agreement

Annex II to the "Treaty for the Settlement of Outstanding Questions relative to Shantung" contains the following provisions concerning electric light and the stockyard and laundry at Tsingtao:

"II. Transfer of Public Properties:

.....
With respect to public enterprises relating to electric light, stockyard and laundry, the Government of the Chinese Republic, upon taking them over, shall retransfer them to the Chinese municipal authorities of Tsingtao, which shall in turn, cause commercial companies to be formed under Chinese laws for the management and

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working of the said enterprises, subject to municipal regulation and supervision."

Further, concerning the above provisions it may be pointed out that Annex VI to the "Detailed Agreement" provides as follows:

"VI. Electric Light, Stockyard and Laundry:

The Government of China, with respect to the formation of companies for undertaking enterprises relating to electric light (including, as an auxiliary enterprise, the supply of electric power), stockyard and laundry, agree to their formation under Chinese charter, to their being managed with joint Chinese and foreign (including Japanese) capital and to the participation in the said companies of Japanese members (including directors) in proportion to the amount of Japanese capital invested therein.

As to the formation of a laundry company, consideration shall be given to the contracts of Japanese concerning the laundry which is under lease to them and is in actual operation."

Despite the above provisions, the Chinese authorities have withheld authorization to the organization of the companies, rendering these provisions a dead letter.

6 Infringement of Articles XXIII and XXIV of the Treaty and of the "Agreed Terms of Understanding" Concerning the Conclusion of the Treaty (II)

1. The "Treaty for the Settlement of Outstanding Questions relative to Shantung" and the various attendant agreements, make specific stipulations for the protection of the vested rights of foreigners in the former German Leased Territory after its restoration to China, as mentioned below:

A. Article XXIII of the treaty :—

“...The Government of the Chinese Republic, on its part, declares that the entire area of the former German Leased Territory of Kiaochow will be opened to foreign trade, and that foreign nationals will be permitted freely to reside and to carry on commerce, industry and other lawful pursuits within such area.”

B. Article XXIV of the same :—

“The Government of the Chinese Republic further declares that vested rights lawfully and equitably acquired by foreign nationals in the former German Leased Territory of Kiaochow, whether under the German régime or during the period of the Japanese administration, will be respected.

All questions relating to the status or validity of such vested rights acquired by Japanese subjects or Japanese companies shall be adjusted by the Joint Commission provided for in Article II of the present Treaty.”

C. Item 11 of the “Agreed Terms of Understanding concerning the Conclusion of the Treaty” :—

“The term ‘lawful pursuits’ used in Article XXIII of the (above) Treaty shall not be so construed as to include agriculture, or any enterprise prohibited by Chinese law or not permitted to foreign nationals under the treaties between China and foreign Powers, it being understood that this definition shall be without prejudice to the question of the salt industry provided for in Article XXV of the Treaty or to any question relating to vested rights which shall be determined in accordance with Article XXIV of the Treaty.”

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D. Annex II to the "Detailed Agreement" :—

"The vested rights of foreigners shall be suitably adjusted between Chinese local authorities at Tsingtao and the Japanese Consular officers in accordance with the Treaty for the Settlement of Outstanding Questions relative to Shantung, the Annex thereto and the Agreed Terms of Understanding relating to the said Treaty."

Despite the above specific stipulations, the Chinese authorities, since the restoration of Tsingtao, have at every opportunity infringed the vested rights of Japanese residents, much to the disappointment of the Japanese Government. Such incidents being too frequent to be enumerated here, a few of the more typical cases may be briefly stated by way of illustration.

2. It was arranged, according to the provisions of Article XXIV of the "Treaty for the Settlement of Outstanding Questions relative to Shantung," that the vested rights of foreign nationals within the former German Leased Territory of Kiaochow should be adjusted as to their status and validity by the Sino-Japanese Joint Commission which met in Peking from May, 1922. But this commission, having arranged to turn over this question of adjustment to the Japanese consular officers at Tsingtao and the local Chinese authorities (See Annex II of the "Detailed Agreement"), adjourned in December of the same year. The Japanese Consul-General subsequently carried on repeated negotiations with the local Chinese authorities, but this question of adjusting the vested foreign rights still remains unsettled, a state of affairs for which the Chinese are entirely responsible.

Whereas the status and validity of the vested foreign rights under the circumstances remain to be adjusted by a Sino-Japanese commission, the established principle of respect for the vested rights secured by treaty is never to be affected. Consequently, the rights lawfully acquired by Japanese subjects in Shantung should be respected to the

fullest extent as vested rights. The Chinese Government, however, have unjustly been infringing our vested rights, unquestionably in defiance of this principle.

3. *Pressure on the Tsingtao Exchange*: The Tsingtao Exchange is a Sino-Japanese joint stock company chartered by the Japanese Government in 1920 with a capital of 1,800,000 yen, equal numbers of Chinese and Japanese holding the shares and directorships. This exchange, dealing in peanuts, peanut oil, money exchange, and cotton yarn, has been operating satisfactorily. A special feature of this exchange is that the vendors, from the nature of the merchandise handled, are entirely Chinese, while all purchasers are Japanese. Operated under such conditions which eliminate any occasion for discord, it has been regarded as a model institution, representative of friendly co-operation between the peoples of the two countries. The exchange, in fact, continues its business to this day, and forms one of the important items of our vested rights mentioned in Article XXIV of the "Treaty for the Settlement of Outstanding Questions relative to Shantung."

In June, 1931, however, the Industrial Department of the Nanking Government directed the Social Bureau of the Municipal Government of Tsingtao to organize a committee for the acquisition of the Tsingtao Exchange. This was the result of machinations on the part of the local Kuomintang of Tsingtao and certain ambitious politicians with anti-Japanese inclinations. In response to these instructions from Nanking the Municipal Government of Tsingtao made a representation to the National Government recommending that an exchange be established for the Chinese alone. The Tsingtao Chamber of Commerce (Chinese) assumed the lead in the movement for organizing an exchange for merchandise and securities, establishing in its own premises the offices of the committee formed to undertake the necessary preparations. The Chinese were prohibited on the 19th of the same month from making transactions on the existing exchange, and were later forcibly taken to an Chinese exchange temporarily

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provided elsewhere, under compulsory orders to do business there.

4. *Pressure on Japanese Fishery*: The Japanese authorities established at Tsingtao, whilst the territory was under their administration, a Japanese marine produce co-operative institution. There were also many Japanese subjects in the city engaged in fishery in the neighbouring waters and their catches were disposed of at the local fish market. The Chinese authorities, bent on interfering with Japanese fishing activities in Chinese waters, adopted a series of measures against the Japanese fishermen in the Tsingtao district, making their work extremely difficult. Some of these measures are detailed below.

A. Orders prohibiting fishing boats under 100 tons from entering the harbour, and prevention of imports of fish:

With regard to this question it was fully dealt with in the section dealing with infringements of the Sino-Japanese Treaty of Commerce and Navigation (See pp. 5-6). It may, however, be pointed out that the Chinese action at Tsingtao represents an open violation of the stipulations as to vested rights contained in Article XXIV of the "Treaty for the Settlement of Outstanding Questions relative to Shantung."

B. Pressure on Japanese fish-dealers in Tsingtao:

The pressure exercised upon Japanese fisheries by the Chinese officials did not spare even fish-dealers in the city of Tsingtao. The Chinese employed by Japanese fish-dealers were arrested and detained at the Bureau of Public Safety. Chinese merchants who had business connections with Japanese fish-dealers were dealt with in a like manner.

5. *Unjust Proceedings against Landed Rights*:

(a) Provisions as to land held by Japanese subjects, so far as the acquisition of such rights was effected by lease, are contained in Article VI of the "Detailed Agreement." According to this article,

any lease of land granted by the Japanese authorities prior to the exchange of ratifications of the "Treaty for the Settlement of Outstanding Questions relative to Shantung" can be extended for thirty years after the expiration of its term on the same conditions as the original lease, provided that either construction or work of any kind has been commenced on such land within the period stipulated for in the conditions on which the permission for the lease was accorded. The same lease is further renewable at the end of the thirty years. As to the lands acquired otherwise than by lease, such for instance as by purchase or reclamation or by other means, there is no provision in the afore-said "Detailed Agreement," which, however, does not imply that such titles to land fall outside the scope of treaty protection. They should have been duly respected by the Chinese Government as coming under the vested rights mentioned in Article XXIV of the said treaty. Their legal status and validity as vested rights should have been adjusted by the Sino-Japanese Joint Commission provided for in Article II of the same treaty. As a matter of fact, this question of land-holding was submitted to that commission for its consideration when it met immediately after the conclusion of the treaty. But on this occasion the Chinese took an attitude to insist on opinion contrary to the stipulations of the treaty or showed disposition to deny the validity of vested rights of Japanese:—for instance, with regard to agricultural lands, they demanded the immediate recovery thereof and as to lands otherwise utilized, they proposed that their use might be permitted without compensation during the term of lease as formerly held by Germany, on the expiration of which, however, such lands should be surrendered unconditionally. Under these circumstances the commission failed to come to any agreement beyond recognizing the Chinese right to purchase back the Kunitake farm. The question was thus left to be settled later by negotiations between the Japanese consular officers at Tsingtao and the Chinese local authorities. Subsequent, negotiations between those officials, however, have failed

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to produce any agreement.

(b) The Chinese authorities have in several instances taken unjust proceedings against land and other descriptions of immovable property held by Japanese subjects, though the rights of the latter in such holdings are recognized by the provisions of the treaty and the "Detailed Agreement." Some of these instances are given hereunder.

(c) *Orders to re-write land titles held by Japanese in Tsingtao:* The Chinese authorities issued in January, 1931, "Regulations for Re-writing the Title Deeds to Land in Tsingtao in the Japanese Language." In these regulations it was officially declared that all land contracts and similar documents in the German or Japanese language issued during the period of German and Japanese administration should be exchanged for documents written in the Chinese language, and that the instruments of title to land, unless so re-written between January and December inclusive of the 20th year of the Republic (1931), would become null and void.

This procedure was taken by the Chinese Government without taking any measures to ascertain the views of foreign residents, despite the questions involved are to be regarded as the municipal matters calculated directly to affect their welfare and interests, as mentioned in the Annex VI to the "Treaty for the Settlement of Outstanding Questions relative to Shantung." Moreover, the provisions made in these regulations for invalidating the title to land on account of a failure to comply with a certain prescribed procedure is plainly contrary to the stipulations in the said treaty that vested rights shall be respected, and also contrary to the provisions of Article VI of the "Detailed Agreement," defining the validity of the land-holdings granted by the Japanese authorities. Our protests on this matter have received no response from the Chinese authorities.

(d) *Illegal expropriation of land and other description of immovable property within the Tsingtao-Tsinanfu Railway Zone:* The Tsingtao-Tsinanfu Railway Administration made a demand on March 25, 1930, on a certain Japanese subject who was keeping a kiosk

within the compound of the railway station at Changtien that he should surrender the land without compensation. Upon his refusal to comply with this demand, a board enclosure was erected around the kiosk, thus cutting off communication with the station. This action was contrary to the stipulations made in the treaty relative to vested rights. It is also against the mutual understanding arrived at as to lands and buildings in Japanese possession within the Tsingtao-Tsinanfu Railway Zone (at the 21st meeting of the Second Committee of the Conference for the Detailed Arrangements, December 5, 1922). According to the understanding then arrived at, lands granted for use within the railway zone, where a Japanese had erected or was erecting buildings, were made subject to a renewal of the lease on the same conditions on the expiration of the original lease. The Tsingtao-Tsinanfu Railway, therefore, if in need of the said land, should have purchased it back paying due compensation for buildings and all other things erected thereon.

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XIII

Infringement of the Notes Exchanged in 1913 in Regard
to the Construction of Certain Railways in Manchuria
and Mongolia, and of the Notes Exchanged in
1918 Regarding Four Railways in
Manchuria and Mongolia

By the exchange of notes in 1913 between the Japanese Minister to China and the Peking Government, the Chinese Government engaged to construct at an early opportunity a railway between Changchun and Taonan by means of a loan to be furnished by Japanese capitalists. In 1918 notes were again exchanged between the Chinese Minister to Japan and the Japanese Foreign Minister on the same subject. This exchange of notes was followed in the same year by the conclusion of a preliminary agreement between the Japanese banking group, composed of the Industrial Bank of Japan, the Yokohama Specie Bank, and the Bank of Taiwan, and the Chinese Government relative to the construction of four railways in Manchuria and Mongolia. These banks consequently made an advance of 20,000,000 yen. Nothing, however, has been done by way of the construction of these railways. In 1928, on May 15, the South Manchuria Railway Company signed a contract with the Communications Department of the Peking Government for the construction of the Changchun-Talai line, a portion of the contemplated railway between Changchun and Taonan. It was agreed, according to the terms of the same contract, that construction work should be started within one year of the signing of the contract. China, however, has shown no disposition to fulfil her promise.

XIV

Infringement of the Notes Exchanged Relative to the
Recognition of the New Chinese Import Customs
Tariff (1929), and of the Agreement in
Regard to the Customs Tariff (1930)

1 Abolition of Likin

1. The institution of *Likin*, which is one of the greatest obstacles to internal trade of China, has for many years been the subject of controversy between China and foreign Powers. In the notes exchanged with Japan in 1929, relative to the recognition of the new Chinese import customs tariff, the Chinese Government declared that :

“With regard to the Transit Duties, the Chinese Government intends to abolish likin within 2 years from the time New Tariff comes in force. When likin is abolished the Chinese Government will at the same time remove the Transit Duties of the Maritime Customs. Until then the 2½ % Transit Duties will be maintained.”

Further, in 1930, on the conclusion of the Sino-Japanese Tariff Agreement, the following notes were exchanged between the two countries.

A. *The Japanese Chargé d’Affaires’ Note to the Foreign Minister of the National Government :*

“I have the honour to remind Your Excellency that in the course of our negotiations regarding the Customs Tariff question, it was stated that the Chinese Government en-

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tertaind the intention of abolishing as soon as possible all such taxes and charges detrimental to the promotion of trade in China as likin, native customs duties, coast-trade duty and transit dues and other like charges.

I shall be much obliged if Your Excellency will be good enough to inform me as to what measures have been or will be adopted by the Chinese Government with a view to carrying into effect the afore-said intention of the Chinese Government.

I avail myself, etc."

B. *Reply of the Foreign Minister of the National Government to the above Note:*

"I have the honour to acknowledge the receipt of your Note of to-day's date which reads as follows:—

'I have the honour to remind Your Excellency that in the course of our negotiations regarding the Customs Tariff question, it was stated that the Chinese Government entertained the intention of abolishing as soon as possible all such taxes and charges detrimental to the promotion of trade in China as likin, native customs duties, coast-trade duty and transit dues and other like charges.

'I shall be much obliged if Your Excellency will be good enough to inform me as to what measures have been or will be adopted by the Chinese Government with a view to carrying into effect the afore-said intention of the Chinese Government.'

I have the pleasure to inform you that the Chinese Government is endeavouring to abolish as soon as possible all such duties and charges as are mentioned in your Note under acknowledgement.

The Chinese Government has already issued a Mandate

ordering the abolition of *likin* as from the 10th of October, 1930, and instructed the Minister of Finance to take all necessary measures for carrying this order into effect.

I avail myself, etc."

2. In addition to the afore-said Sino-Japanese Agreement, the tariff agreements concluded by China with Great Britain and France in 1928 also make reference to the abolition of *likin*. In Annex III to the Sino-British Tariff Autonomy Treaty, the British Minister "reminded the Chinese Foreign Minister of the proclamation issued by the National Government of the Republic of China at Nanking on July 20th, 1927, announcing their intention to take as soon as possible the necessary steps effectively to abolish *likin*, native customs dues, coast-trade duties, and all other taxes on imported goods whether levied in transit or on arrival at destination." In reply the Chinese Foreign Minister stated that he was "glad to be able to confirm, on behalf of the National Government, the terms of their proclamation of July 20th, 1927." In the Annex to the "Traité réglant les relations douanières entre la France et la Chine" likewise, China stated that she would abolish *likin* and other surtaxes on the proper customs duties, which were levied in place of *likin*, within the least possible time after the coming into force of the new customs tariff.

3. In view of the undertaking they entered into with the above-mentioned Powers, the National Government abolished the system of *likin* throughout the country as from January 1, 1931. As it is, however, all the provinces in China have during the whole of the past year devised business taxes, special consumption taxes, and other new levies in order to make up for the loss caused in revenue through the abolition of *likin*. The Nanking Government themselves have adopted the so-called consolidated tax. Such being the case, the abolition of *likin* has amounted in reality to nothing.

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2 Loan Question

1. The consolidation of China's foreign loans which have for years been accumulating in arrears, was the subject of deliberation at the Special Tariff Conference of Peking in 1925, when delegates from various Powers looked into this question. As for Japan, she exchanged the undermentioned notes with China, when she recognized the revised tariff in 1929.

- A. *The Note of the Foreign Minister of the National Government, addressed to the Japanese Chargé d'Affaires in China, rendered into English, reads as follows:*

"I have the honour to inform you that the National Government, with regard to the consolidation of loans either unsecured or inadequately secured, decided at the 14th session of the State Council held on January 4, in the 18th year of the Republic, that the amount of 5,000,000 dollars should each year be set aside from the increased proceeds of the Customs revenues towards the consolidation of both foreign and domestic obligations; and that they would establish a commission on foreign and domestic loans to attend to the duties incidental to the loan consolidation. The Chinese Government have, consequently, decided upon the following measures which they are prepared faithfully to execute:

- (1) An amount of at least 5,000,000 dollars (which may be increased), shall be set aside each year from the increased Customs revenues under the new tariff;
- (2) With regard to the ways and means to be adopted for the above purpose, the National Government will hold in the near future a conference of the representatives of

the creditors with a view to make deliberation thereon ;

(3) In order to facilitate an early settlement by the said conference, due consideration will be given to the deliberations made at the Special Tariff Conference at Peking.

I avail myself, etc."

B. *The Note of the Japanese Chargé d'Affaires, in reply to the above Note, rendered into English, reads as follows :*

"I have the honour to acknowledge the receipt of Your Excellency's Note under date of January 18, which reads as follows ;

'I have the honour to inform you that the National Government, with regard to the consolidation of loans either unsecured or inadequately secured, decided at the 14th session of the State Council held on January 4, in the 18th year of the Republic, that the amount of 5,000,000 dollars should each year be set aside from the increased proceeds of the Customs revenues towards the consolidation of both foreign and domestic obligations ; and that they would establish a commission on foreign and domestic loans to attend to the duties incidental to the loan consolidation. The National Government have consequently decided upon the following measures which they are prepared faithfully to execute :

'(1) An amount of at least 5,000,000 dollars (which may be increased), shall be set aside each year from the increased Customs revenues under the new tariff ;

'(2) With regard to the ways and means to be adopted for the above purpose, the National Government will hold in the near future a conference of the representatives of the creditors with a view to make deliberation thereon ;

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'(3) In order to facilitate an early settlement by the said conference, due consideration will be given to the deliberations made at the Special Tariff Conference at Peking.'

I avail myself, etc."

In the following year, 1930, by the conclusion of the Sino-Japanese Tariff Agreement, Japan, together with other Powers, recognized China's tariff autonomy. On the same occasion our Government, with the object of assuring themselves as to China's faithful execution of her pledge given the previous year as to the consolidation of her debts, again effected the exchange of the following Notes.

C. *Note of the Japanese Chargé d'Affaires in China, addressed to the Foreign Minister of the National Government:*

"I have the honour to state that in view of the large number and amount of the unsecured and inadequately secured obligations of China due to Japanese creditors, a speedy consolidation thereof is considered highly desirable. It is suggested by my Government that for that purpose a conference of the representatives of creditors should be called by the Chinese Government at the earliest possible date.

I shall be much obliged if Your Excellency will be good enough to inform me as to what measures have been or will be adopted by the Chinese Government for effectuating the aforesaid consolidation.

I avail myself, etc."

D. *Reply of the Foreign Minister of the National Government to the above Note:*

"I have the honour to acknowledge the receipt of your Note of to-day's date which reads as follows:

'I have the honour to state that in view of the large number and amount of the unsecured and inadequately secured obligations of China due to Japanese creditors, a speedy consolidation thereof is considered highly desirable. It is suggested by my Government that for that purpose a conference of the representatives of creditors should be called by the Chinese Government at the earliest possible date.

'I shall be much obliged if Your Excellency will be good enough to inform me as to what measures have been or will be adopted by the Chinese Government for effectuating the aforesaid consolidation.'

I have the pleasure to inform you that the Chinese Government has already commenced to set aside annually the sum of \$ 5,000,000 from the Customs revenues for the purpose of consolidating the domestic and foreign obligations of China and that it intends to call a conference of the representatives of creditors on or before October 1st of this year, at which an adequate plan for consolidation will be presented and discussed with a view to devising means (including an increase of the sum above-mentioned) for effectuating the consolidation in question.

I avail myself, etc."

2. Whereas China, by the notes thus exchanged, undertook to summon a conference of the representatives of the creditors on or before October 1, 1930, for decision on a plan for an early consolidation of her debts, nothing has yet been done to carry out this undertaking. It was not before the Japanese Government called her attention that China at length convened a conference of the creditors' representatives, which took place at Nanking on November 15. On

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this occasion, the Chinese Government went no further than to submit a plan outlined only in an abstract form, obviously with the intention of shirking their responsibilities. Of this plan nothing has yet been heard by way of fulfillment.

3. The customs revenues of China have of late considerably increased, owing first to the so-called seven grade tariff system which went into effect in February, 1929, and secondly to the new national export tariff which went into effect in January, 1930. While the customs revenues amounted to 82,000,000 *Haikwan taels* in the year 1928, they advanced in 1930 to 180,000,000 *Haikwan taels*, and still further in 1931 to 246,000,000 *Haikwan taels*, although the trade with Japan had practically been brought to a deadlock owing to the anti-Japanese boycott enforced with unprecedented vigour. The annual financial report of the National Government, however, shows that the total expenditure for the same year was 500,000,000 dollars, of which approximately 50 per cent was consumed in military expenses. In addition, there was a considerable amount expended for military purposes from the proceeds of short-term loans. Needless to say, had China curtailed her military expenses by reducing her armed forces, in accordance with the "Resolutions regarding the Reduction of Chinese Military Forces," adopted at the Washington Conference, she could have accomplished the promised consolidation of her debts. But owing to the incessant strife among her war-lords and politicians, her military expenses have each year been increasing, with the result that the consolidation of her obligations is an almost hopeless ideal.

4. Japan's unsecured or inadequately secured loans to China amounted at the end of 1930 approximately to 953,000,000 dollars, including interest, (computed at the rate of 170 dollars per 100 yen).

In this connection the matter of what are known as the "Nishihara Loans" calls for special attention. It may be recalled that the Kuomintang, the parent organization of the present Chinese National Government, in course of its political strife with the Peking

Government, declared its policy of repudiating certain loans made to the latter. The National Government, considering the Nishihara Loans as coming under that category, has been maintaining an attitude of indifference as to these debts. It must be realized, however, that the so-called Nishihara Loans comprise a series of loans made by a Japanese banking group to the Peking Government during the years 1917-18, about the time when China, at the invitation of the Allies, decided to participate in the Great War. These loans, now representing a sum of approximately 680,000,000 dollars, including interest, were spent upon the reorganization of the Bank of Communications, the construction of railways, the extension of telegraphic systems, forestry enterprise, mining exploitation, and upon the discharge of the military expenses required for China's participation in the World War. The Kuomintang, however, refused to recognize these debts for the reason that they are obligations assumed by a Government which it never recognized. With a view to repudiating these loans an argument was advanced that the proceeds from these loans had been spent upon the military contest which Peking Government was waging with the Southern Provinces, and that the Peking authorities had misappropriated to themselves large sums of money through these financial transactions. The Kuomintang, declaring its political programme on January 10, 1924, stated, as part of its foreign policy, that the Chinese people would not be responsible for the redemption of any debts contracted by an irresponsible government within the limits of China, namely the Peking Government under a President elected by bribery.*

It must be noted, however, that the Peking Government was then the only legitimate Government recognized by the Powers that China possessed. The agreements concerning the Nishihara Loans were legitimately concluded between that Government and the Japanese banking group. What is more, we find that more than 50 per cent of the total proceeds of these loans was spent upon purely financial

* *Vide* "The Present Condition of China", Part I, Chapter III.

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purposes, such as the reorganization of the Bank of Communications and payment of interest on both domestic and foreign loans; more than 35 per cent expended in preparation for Chan's participation in the War; and about 10 per cent on general political expenses. The proceeds in question, therefore, were applied to purposes for which the loans made to China by other Powers in those days as well as her own domestic loans were expended. Furthermore, of the total amount of the financial aid rendered in those days for the benefit of the Peking Government, that attributable to Japan represents but 38 per cent, while European nations are responsible for 41 per cent, and China herself for 21 per cent. In the light of these facts, there is no reason whatever why the Nishihara Loans alone should be singled out for discrimination. The Kuomintang's avowed objection to these loans, we may presume, was to be attributed to its apparent determination to make capital out of this question in its political contest with the Peking Government. It is, therefore, difficult to understand why the Kuomintang, having established itself in power at the expense of the Peking Government, should still persist in its objection to them, unless it deliberately chooses thereby to arouse national antagonism against Japan as a part of its fundamental policy of anti-foreignism, and also to work for its own financial advantage by delaying the consolidation of China's huge domestic and foreign loans.

PART II

INFRINGEMENT OF THE INTERNATIONAL TREATIES
AND AGREEMENTS TO WHICH BOTH JAPAN
AND CHINA ARE PARTIES

I

Infringement of the Treaty Between the Nine Powers
Concerning China, 1922

Infringement of Article V of the Treaty

1. Article V of the Nine-Power Treaty concerning China contains the following provisions with regard to the operation of railways in China :

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

The Contracting Powers, other than China, assume a corresponding obligation in respect of any of the aforesaid

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railways over which they or their nationals are in a position to exercise any control in virtue of any concession, special agreement or otherwise."

2. Despite this explicit stipulation above quoted, the Chinese authorities enforced in 1922, immediately after the Washington Conference, a new tariff of freight on the Peking-Hankow Railway, whereby unfair discriminations were made between imported and native goods. China not only maintained this tariff in the face of a series of protests made in concert by the interested Powers, but even applied a like discriminatory treatment in 1924 or thereabouts to the Peking-Mukden and Tientsin-Pukow Railways. In 1929 the Railway Department of the Nanking Government adopted a revised tariff of freight, a leading feature of which was a wide difference in the rates for native goods and those for foreign imports. Unfair discriminations were also made between goods of native manufacture and those produced at factories situated in China but owned by foreigners or worked with foreign capital. Simultaneously with the promulgation of the said tariff, on January 1, the following year, the Nanking Government instructed all the railway administrations in the country faithfully to enforce it. Consequently by May or June of the same year there was no railway in any part of China but exercised discrimination against foreign goods in respect of freight charges. In November this new tariff of freight was also put into force on the Tsingtao-Tsinanfu Railway in which Japan possesses particular interests.

3. The Japanese Government, upon the promulgation of the aforesaid tariff, instructed their Minister to China to lodge a strong protest with the Nanking Government on three separate occasions, to wit, on March 19, May 5 and June 10, 1930. The Diplomatic Body in Peking also protested through its doyen to the Chinese authorities on June 18. The Nanking Government, in their reply to the Japanese Government dated October 21 of the same year, insisted on their

policy, offering a far-fetched argument to the effect that the discrimination between foreign and native goods, such as was being practised, constituted no violation of Article V of the Nine-Power Treaty since the Article in question provided against discriminatory treatment as between different foreign goods imported into China and not as between foreign and native goods. We have since then repeatedly entered upon negotiations with China, but the above discriminatory tariff still remains in force.

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II

Infringement of Various Resolutions Adopted at the Washington Conference, 1922

I The Question of Extraterritoriality

1. With regard to the question of extraterritoriality in China, the Powers expressed themselves in the Resolution V as follows :

"The representatives of the Powers hereinafter named, participating in the discussion of Pacific and Far Eastern questions in the Conference on the Limitation of Armament, to wit, the United States of America, Belgium, the British Empire, France, Italy, Japan, the Netherlands and Portugal,—

Having taken note of the fact that in the Treaty between Great Britain and China dated September 5, 1902, in the Treaty between the United States of America and China dated October 8, 1903, and in the Treaty between Japan and China dated October 8, 1903, these several Powers have agreed to give every assistance towards the attainment by the Chinese Government of its expressed desire to reform its judicial system and to bring it into accord with that of Western nations, and have declared that they are also 'prepared to relinquish extraterritorial rights when satisfied that the state of the Chinese laws, the arrangements for their administration, and other considerations warrant' them in so doing ;

Being sympathetically disposed towards furthering in this regard the aspiration to which the Chinese delegation gave expression on November 16, 1921, to the effect that

'immediately, or as soon as circumstances will permit, existing limitations upon China's political, jurisdictional and administrative freedom of action are to be removed';

Considering that any determination in regard to such action as might be appropriate to this end must depend upon the ascertainment and appreciation of complicated states of fact in regard to the laws and the judicial system and the methods of judicial administration of China, which this Conference is not in a position to determine;

Have resolved

That the Governments of the Powers above named shall establish a Commission (to which each of such Governments shall appoint one member) to inquire into the present practice of extraterritorial jurisdiction in China, and into the laws and the judicial system and the methods of judicial administration of China, with a view to reporting to the Governments of the several Powers above named their findings of fact in regard to these matters, and their recommendations as to such means as they may find suitable to improve the existing conditions of the administration of justice in China, and to assist and further the efforts of the Chinese Government to effect such legislation and judicial reforms as would warrant the several Powers in relinquishing, either progressively or otherwise, their respective rights of extraterritoriality;

That the Commission herein contemplated shall be constituted within three months after the adjournment of the Conference in accordance with detailed arrangements to be hereafter agreed upon by the Governments of the Powers above named, and shall be instructed to submit its report and recommendations within one year after the first meeting of the Commission;

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That each of the Powers above named shall be deemed free to accept or to reject all or any portion of the recommendations of the Commission herein contemplated, but that in no case shall any of the said Powers make its acceptance of all or any portion of such recommendations either directly or indirectly dependent on the granting by China of any special concession, favour, benefit or immunity, whether political or economic.

ADDITIONAL RESOLUTION.

That the Non-Signatory Powers, having by treaty extraterritorial rights in China, may accede to the Resolution affecting extraterritoriality and the administration of justice in China by depositing within three months after the adjournment of the Conference a written notice of accession with the Government of the United States for communication by it to each of the signatory Powers.

ADDITIONAL RESOLUTION.

That China, having taken note of the resolutions affecting the establishment of a Commission to investigate and report upon extraterritoriality and the administration of justice in China, expresses its satisfaction with the sympathetic disposition of the Powers hereinbefore named in regard to the aspiration of the Chinese Government to secure the abolition of extraterritoriality in China, and declares its intention to appoint a representative who shall have the right to sit as a member of the said Commission, it being understood that China shall be deemed free to accept or to reject any or all of the recommendations of the Commission. Furthermore, China is prepared to cooperate in the work of this Commission and to afford to it every possible facility for the successful accomplishment

ment of its tasks.

Adopted by the Conference on the Limitation of Armament at the Fourth Plenary Session, December 10, 1921."

2. In accordance with the above resolution the Commission on Extraterritoriality, meeting at Peking during a period of nine months from January, 1926, and having carefully looked into the question, compiled a report highly sympathetic in tone with the abolition of extraterritoriality in China. The commission also took occasion to offer a series of recommendations respecting the preparations to be made prior to the abolition of extraterritorial jurisdiction in China. Though the Chinese delegate also attached his signature to the same report, nothing tangible has yet been done by China respecting any of the points recommended by the commission.

What is more, China has made clear to all appearance her disposition not only to ignore the recommendations of the commission, but has even set out on the endeavour to recover her judicial powers by arbitrary methods. On the termination of the time set for the revision of various commercial treaties, the Nanking Government notified the Powers concerned of their nullity, and arbitrarily informed them that, with regard to the subjects or citizens of the countries involved, a temporary arrangement would be applied to the same effect as in the case of the subjects or citizens of non-treaty nations.

In April, 1929, China requested of the Powers the abolition of their extraterritorial jurisdiction, which request she has consistently maintained since then. In response thereto the Powers, expressing their agreement as to the abolition of extraterritoriality as a matter of principle, arranged for negotiations to be conducted with China. But the Nanking Government went even further in their overbearing arbitrary attitude and issued a mandate on December 1, 1929, proclaiming a unilateral abolition of extraterritoriality as from January 1, 1930. In February, 1930, the Foreign Minister of the National

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Government made a threatening declaration to the effect that the Government and people of China had determined to put forward their utmost efforts to do away with extraterritoriality, and that the trusted that China would not be compelled to attain her objective by means other than of friendly negotiations.

When the Nanking Government, without doing anything for the improvement of their judicial system in accordance with the recommendations of the Commission on Extraterritoriality, attempted unilaterally to repudiate the existing treaty agreements, and threateningly declared their intention to attain the objective even by means other than of friendly negotiations, they entirely ignored the spirit of the resolution adopted at the Washington Conference, forfeiting thereby the confidence that the Powers had sympathetically placed in China.

2 The Foreign Postal Agencies in China

1. With regard to the foreign postal agencies in China, the Powers declared in the Resolution VI as follows:

"A. Recognizing the justice of the desire expressed by the Chinese Government to secure the abolition of foreign postal agencies in China, save or except in leased territories or as otherwise specifically provided by treaty, it is resolved:

- (1) The four Powers having such postal agencies agree to their abandonment subject to the following conditions:
 - (a) That an efficient Chinese postal service is maintained;
 - (b) That an assurance is given by the Chinese Government that they contemplate no change in the present postal administration so far as the status of the foreign Co-Director General

is concerned.

- (2) To enable China and the Powers concerned to make the necessary dispositions, this arrangement shall come into force and effect not later than January 1, 1923.

B. Pending the complete withdrawal of foreign postal agencies, the four Powers concerned severally undertake to afford full facilities to the Chinese customs authorities to examine in those agencies all postal matter (excepting ordinary letters, whether registered or not, which upon external examination appear plainly to contain only written matter) passing through them, with a view to ascertaining whether they contain articles which are dutiable or contraband or which otherwise contravene the customs regulations or laws of China.

Adopted by the Conference of the Limitation of Armament at the Fifth Plenary Session, February 1st, 1922."

2. As seen above, the Powers agreed to the abandonment of their postal agencies in China on the condition, (1) that an efficient Chinese postal service should be maintained, and (2) that the Chinese Government should contemplate no change in the present postal administration so far as the status of the foreign Co-Director General was concerned. In accordance with the same resolution the Powers concerned have abandoned their post offices in China. But China went on, on her part, to restrict the powers of the foreign Co-Director General, reducing them almost nullity except in name. Now it is a matter of common knowledge among the foreign residents in China how much trouble they have with the Chinese postal service. Even in ordinary times Japanese newspapers are miscarried as often as not. Whenever anti-Japanese agitations are in progress Japanese postal matter is often delayed or obstructed, there being numerous instances of actual refusal to accept Japanese mail, and of confiscation

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and even of the illegal opening of personal letters, not excluding the mail matter in transit to or from the Japanese Legation and Consulates in China. In some cases stamps have been cancelled with anti-Japanese phrases plainly marked across.

When the Japanese post offices in China were abolished in 1922, China agreed to employ 10 Japanese Postal Commissioners, in addition to 2 who were already in the service, for "the maintenance of an efficient postal service," in view of the large number of Japanese residents in China, and the proportionately large volume of mail matter to be handled for them. The National Government, however, have since left no stone unturned in order to discharge Japanese commissioners, so that there now remain but 6 of them. It is beyond doubt that the postal service in China is being carried on under conditions far different from what the Powers had in view.

3 Withdrawal of Foreign Military Forces from China

1. With regard to the withdrawal of foreign military forces in China, the Powers have expressed themselves in the Resolution VII as follows:

"Whereas

The Powers have from time to time stationed armed forces, including police and railway guards, in China to protect the lives and property of foreigners lawfully in China;

And whereas

It appears that certain of these armed forces are maintained in China without the authority of any treaty or agreement;

And whereas

The Powers have declared their intention to withdraw their armed forces now on duty in China without the authority of any treaty or agreement, whenever China shall

assure the protection of the lives and property of foreigners in China ;

And whereas

China has declared her intention and capacity to assure the protection of the lives and property of foreigners in China ;

Now

To the end that there may be a clear understanding of the conditions upon which in each case the practical execution of those intentions must depend ;

It is resolved :

That the Diplomatic Representatives in Peking of the Powers now in Conference at Washington, to wit, the United States of America, Belgium, the British Empire, France, Italy, Japan, the Netherlands and Portugal, will be instructed by their respective Governments, whenever China shall so request, to associate themselves with three representatives of the Chinese Government to conduct collectively a full and impartial inquiry into the issues raised by the foregoing declarations of intention made by the Powers and by China and shall thereafter prepare a full and comprehensive report setting out without reservation their findings of fact and their opinions with regard to the matter hereby referred for inquiry, and shall furnish a copy of their report to each of the nine Governments concerned which shall severally make public the report with such comment as each may deem appropriate. The Representatives of any of the Powers may make or join in minority reports stating their differences, if any, from the majority report.

That each of the Powers above named shall be deemed free to accept or reject all or any of the findings of fact or opinions expressed in the report but that in no case

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shall any of the said Powers make its acceptance of all or any of the findings of fact or opinions either directly or indirectly dependent on the granting by China of any special concession, favour, benefit or immunity, whether political or economic.

Adopted by the Conference on the Limitation of Armament at the Fifth Plenary Session, February 1st, 1922."

2. By the above resolution the Powers admitted the presence of their armed forces in China for the protection of the lives and property of their own nationals, and at the same time expressed their readiness to withdraw their armed forces at the earliest possible opportunity. China, for her part, declared her intention and capacity to protect the lives and property of foreign subjects in the country. As things turned out, however, in April, 1923, viz., soon after the Washington Conference, there occurred what is known as the Lincheng Affair which was followed by a series of kidnapping of foreigners by native bandits, until the situation culminated in the Nanking Affair of 1927. There was a number of cases of murder or wounding of foreign missionaries and residents, and unlawful firing by bandits and soldiers on foreign ships plying on the Yangtze. We have completely been disappointed in China's professed intention and capacity to effect adequate protection of the lives and property of foreign subjects. The Powers, as a matter of fact, are at present obliged to maintain armed forces of considerable size in Shanghai, etc.

4 The Reduction of Chinese Military Forces

1. With regard to the reduction of excessively large military forces in China, the Powers expressed themselves in the Resolution X as follows:

"Whereas the Powers attending this Conference have

been deeply impressed by the severe drain on the public revenue of China caused by the maintenance in various parts of the country of military forces, excessive in number and controlled by the military chiefs of the provinces without coordination ;

And whereas the continued maintenance of these forces appears to be mainly responsible for China's present unsettled political conditions ;

And whereas it is felt that large and prompt reductions of these forces will not only advance the cause of China's political unity and economic development but will hasten her financial rehabilitation ;

Therefore, without any intention to interfere in the internal problems of China, but animated by the sincere desire to see China develop and maintain for herself an effective and stable Government alike in her own interest and in the general interest of trade ;

And being inspired by the spirit of this Conference whose aim is to reduce, through the limitation of armament, the enormous disbursements which manifestly constitute the greater part of the encumbrance upon enterprise and national prosperity ;

It is resolved :

That this Conference express to China the earnest hope that immediate and effective steps may be taken by the Chinese Government to reduce the aforesaid military forces and expenditures.

Adopted by the Conference on the Limitation of Armament at the Fifth Plenary Session, February 1st, 1922."

2. China, however, has not only failed to show her sincerity or capacity for the realization of the aforesaid Resolution, but even maintains to-day far greater military forces throughout the country

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than at the time of the Washington Conference, which are a constant and heavy drain on her financial resources. (The current military expenditure by the Central Government during the year 1930 roughly represented 80 per cent of the total disbursements of the national treasury. When we take into consideration what was spent as extraordinary expenditure on the military operations which the Central Government had to carry on against hostile armed forces of one sort or another during the same year, and further the enormous expenses required by the armed forces maintained by the war-lords of various provinces, China's military expenditures would represent an extravagance almost past imagination.) It stands to reason that China, labouring under such a heavy burden, should find herself, as is universally known to be the fact, on the brink of financial collapse. Contrary to the prospect held out in the resolution above quoted, the political situation in China grows ever more chaotic; her economic development has retrograded; and her commerce is seriously hampered.

III

Infringement of the Reorganization Loan Agreement, 1913—
Collapse of the Salt Gabelle Administration

Infringement of Article V

1. In Article V of the Agreement concluded in 1913 between the Chinese Government and the Banks of Five Powers, namely—Japan, Great Britain, France, Germany and Russia, for a loan of 25,000,000 pounds sterling, the Chinese Government engaged to establish the following system of collection of the salt revenues assigned as security for the same loan.

“Article V. The Chinese Government engages to take immediate steps for the reorganization with the assistance of foreigners of the system of collection of the salt revenues of China assigned as security for this loan, in the manner which has been determined upon by the Ministry of Finance which is as follows :—

The Chinese Government will establish a Central Salt Administration (*Yen wu shu*) at Peking, under the control of the Minister of Finance. This Central Salt Administration will comprise a Chief Inspectorate of Salt Revenues (*Chi ho Tsung So*) under a Chinese Chief Inspector (*Tsung pan*), and a foreign Associate Chief Inspector (*Hui pan*), who will constitute the chief authority for the superintendence of the issue of licenses and the compilation of reports and returns of revenues. In each salt-producing district there will be a branch office of the Chief Inspectorate (*Chi ho Fen So*), under one Chinese and one foreign District Inspector (*So Chang*) who shall

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be jointly responsible for the collection and deposit of the salt revenues. The engagement and dismissal of these Chinese and foreign District Inspectors, and of the necessary Chinese and foreign staff at the Chief and Branch Inspectorates will be decided jointly by the Chinese and foreign Chief Inspectors, with the approval of the Minister of Finance. It will be the duty of the District Inspectors jointly to superintend the issue of licenses and to collect all fees and salt dues; and to report all receipts and disbursements in full detail to the local Salt Commissioner (*Yen yün ssu*) and the Chief Inspectorate in Peking, which will publish periodical reports of the same after submission to the Minister of Finance.

Release of salt against payment of dues in any District will be made only under the joint signatures of the Chinese and foreign District Inspectors, the revenues so collected to be lodged by them in a 'Chinese Government Salt Revenue Account' with the Banks or with depositories approved by the Banks, and reported to the Chief Inspectorate for comparison with their returns. This Salt Revenue Account shall be drawn upon only under the joint signatures of the Chief Inspectors, whose duty it will be to protect the priority of the several obligations secured upon the salt revenues.

So long as the interest and principal of this loan are regularly paid there shall be no interference with the Salt Administration as herein provided, but if interest and/or principal be in default at due date then after a reasonable period of grace the said organization shall forthwith be incorporated with the Maritime Customs and the revenues above pledged shall be administered for the account and in the interest of the bondholders."

2. According to the above provisions, the Chinese Government instituted a new system of collection of the salt revenue, establishing at Peking the Chief Inspectorate under the joint control of a Chinese Chief Inspector and a foreign Associate Chief Inspector, and in the provinces District Inspectorates each under the joint control of one Chinese District Inspector and one foreign Co-District Inspector responsible for the collection and deposit of the salt revenues and for the protection of the priority of the several obligations secured upon the same revenue. However, since the provincial military authorities of Szechuan seized the salt revenue in 1916, the above system continued to be in a disorganized condition until towards the last days of the Peking Government, when the collection of salt revenue was entirely left to the local military authorities except in certain parts of the Provinces of Chihli and Shantung. With regard to this action on the part of those local military authorities, the Powers interested repeatedly lodged a protest, though invariably without any measure of success. Such being the case, delay has of necessity been caused in the settlement of those loans which are secured upon the salt revenue.

3. But when the Nanking Government achieved in June, 1929, an apparent unification of the whole country under their rule, the Powers requested that Government to reinstate the system of collection of the salt revenue. Paying no attention to this request, the National Government put in practice the so-called "10,000,000 Dollar Salt Revenue Scheme" in November, the same year. Under the new scheme, the Chief Inspectorate as well as the District Inspectorates, though continuing to collect salt revenue as before, ceased to deposit the collected amount except for whatever the Finance Department of the Central Government chose to designate for the service of loans. Respecting the settlement of such loans, it was arranged that the Minister of Finance should pay on his own responsibility the fixed amount of 10,000,000 dollars out of the revenue collected from the provinces and in varying proportions allotted to the different loans. This arrange-

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ment, however, went in fact not further than to assure the payment of the said fixed amount for the service of the several loans contracted on the security of salt revenue prior to the conclusion of the Reorganization Loan Agreement, to wit, the Anglo-French Loan of 1908, the Hu-kwang Railway Loans of 1911 and the Crisp Loan of 1912. No attention was paid to the Reorganization Loan itself nor to the loans secured on the "surplus salt revenue" in which Japanese interests are predominant:--for instance the 96,000,000 Dollar National Loan issued in 1922, and the Shantung Treasury Note Loan of 1923, etc. This action on the part of the Chinese Government entirely disregards the powers of the Chief Inspectorate and undermines the very foundation of the Reorganization Loan Agreement. Such being the case, Japan invited Great Britain and France to make a joint protest against this 10,000,000 dollar scheme, though without successful results. What is more, the remainder of the salt revenue after the amount prescribed for the said 10,000,000 dollar fund had been deducted, was soon to fall into the hands of the local military authorities, and in regions where the Central Government cannot make their influence felt, not only the surplus but even the amount earmarked under the above scheme for the loan service was seized by the local military rulers.

PART III

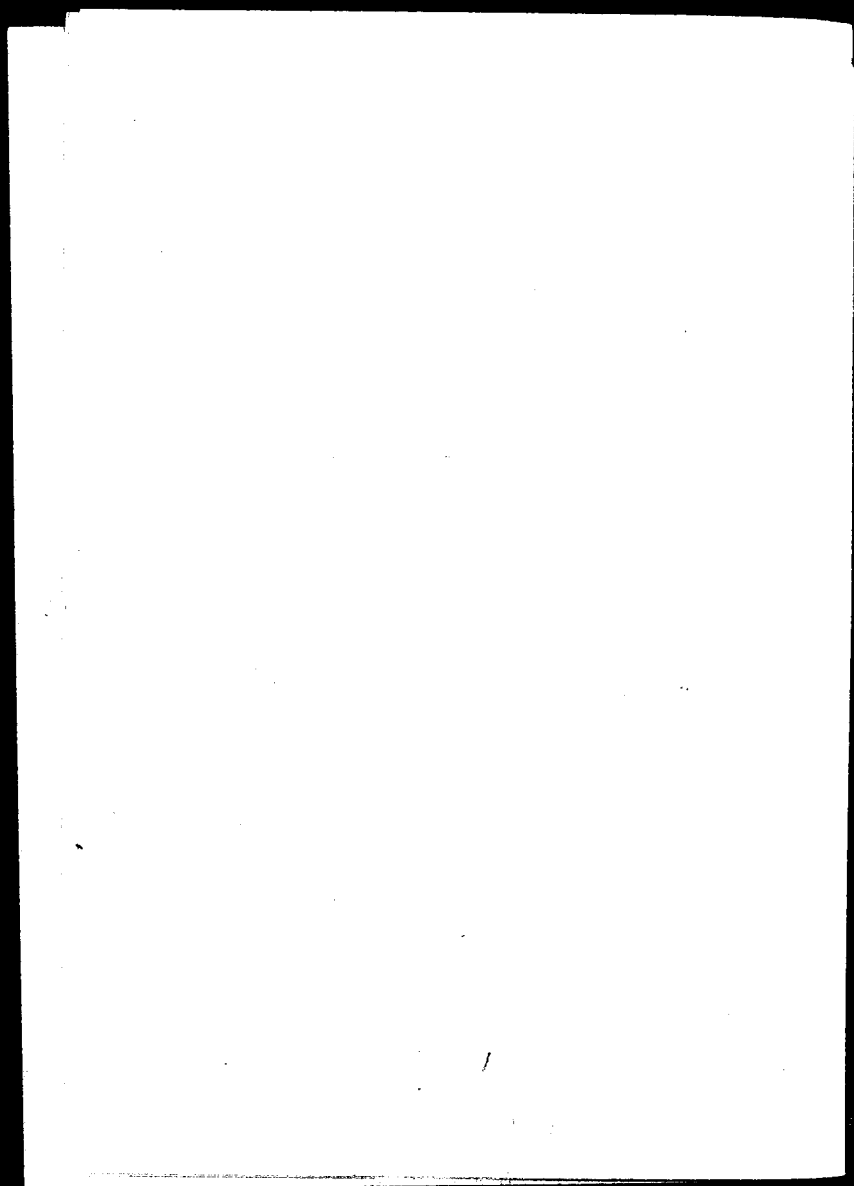
INFRINGEMENT OF CONTRACTS BETWEEN THE
CHINESE GOVERNMENTS, CENTRAL AND
LOCAL, AND JAPANESE BANKS,
CORPORATIONS AND PRIVATE
INDIVIDUALS

In addition to the cases mentioned in the preceding pages, there is a great number of cases where Japanese corporations and individuals are suffering considerable damage through China's failure to carry out her side of loan contracts relating to enterprises such as railways, mines, telegraph, etc., but no detailed reference will be made to this subject in the present volume.

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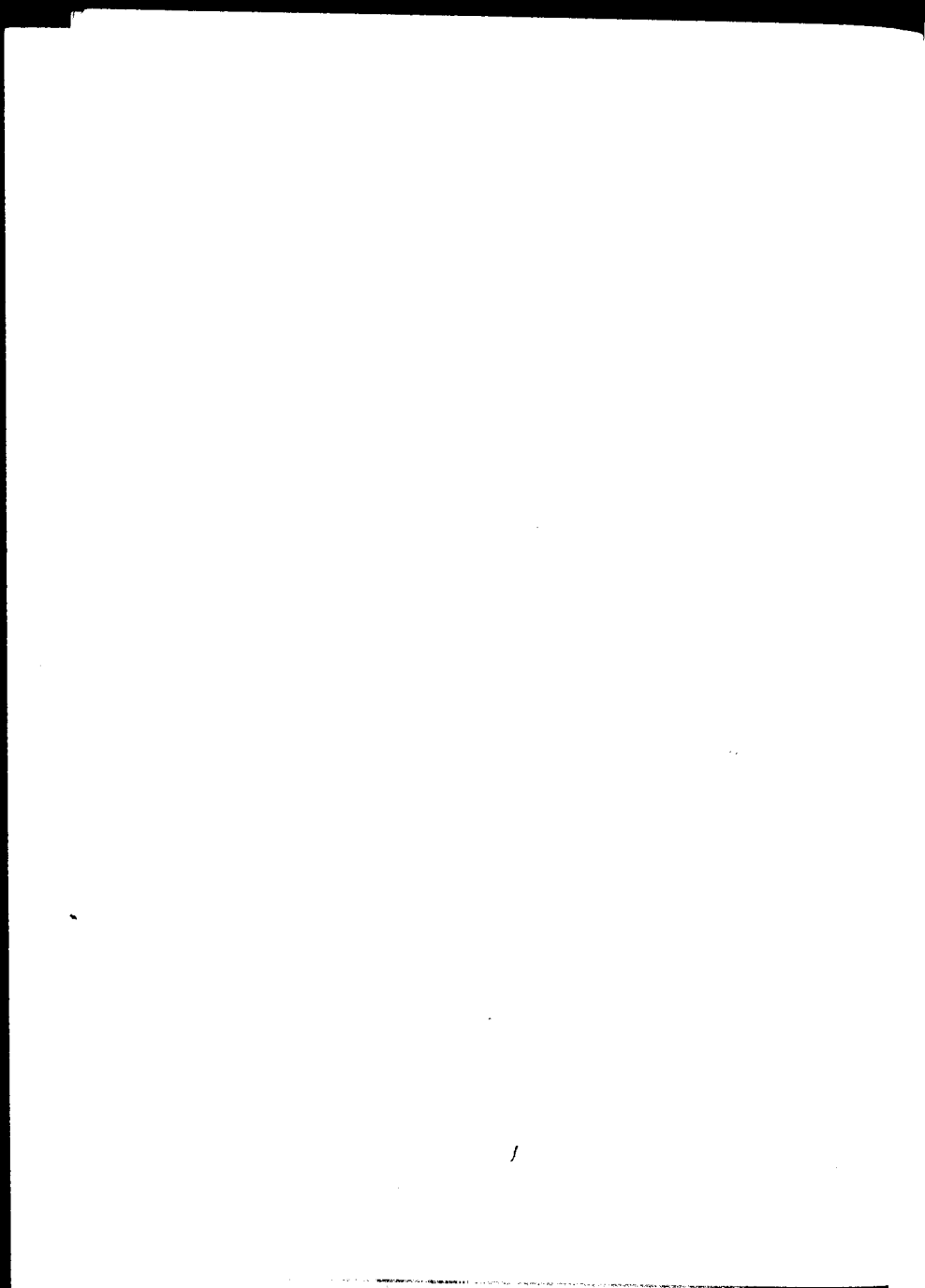
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Anti-Foreign Boycotts in China



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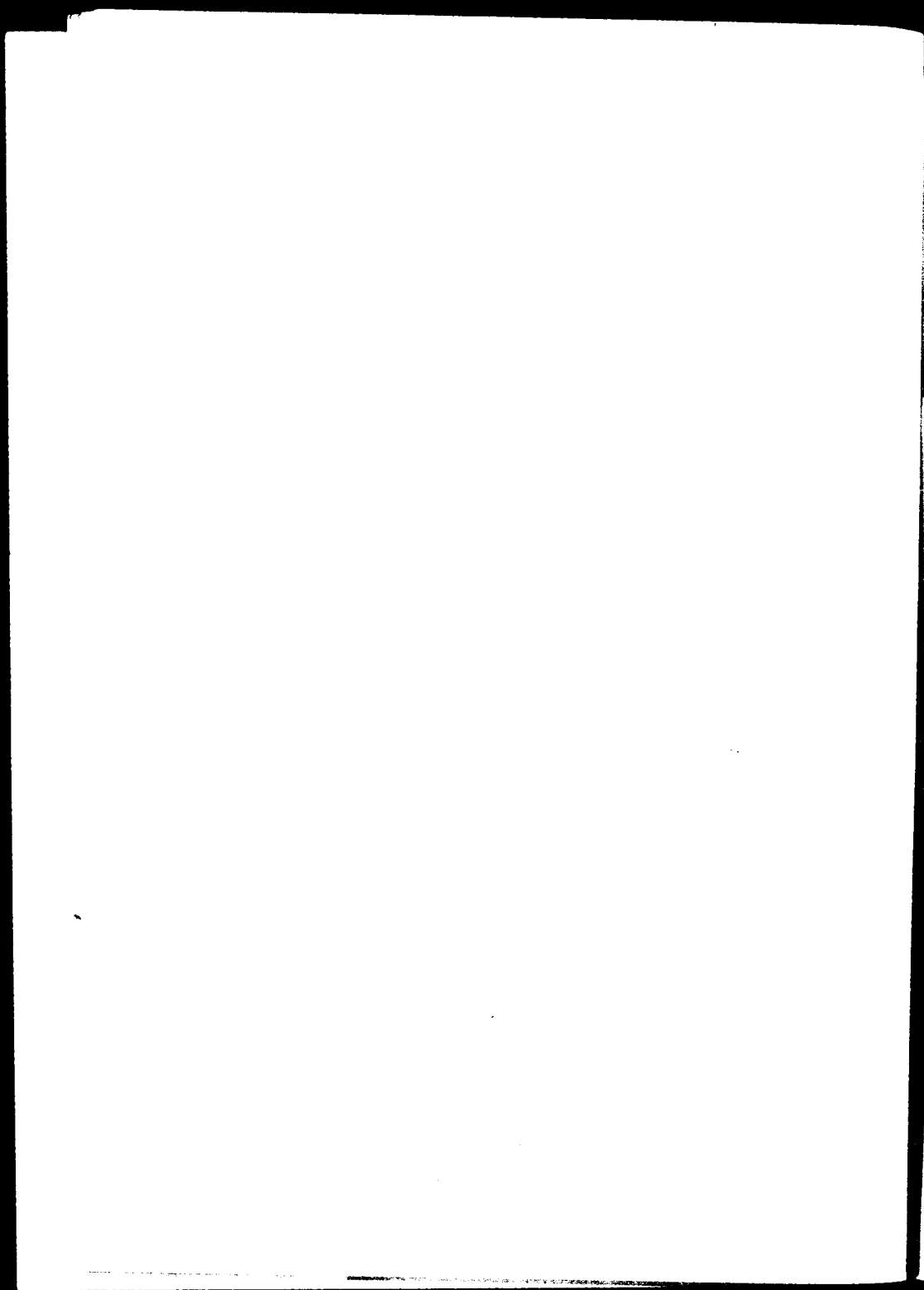
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ANTI-FOREIGN BOYCOTTS IN CHINA

CHAPTER I

GENERAL SURVEY

1. *Boycotts in China—a Historical Sketch*

The first boycott of foreign goods in China occurred in 1741 at Canton against a Dutch ship, and then in 1898, a boycott was declared against France by Ningpo merchants at Shanghai who were exasperated over a question concerning cemetery lots in the French Concession. But neither of these attracted much attention. A boycott, which can be termed nation-wide, took place for the first time in 1905 in connection with the attitude taken by the United States Government towards the exclusion of Chinese immigrants. Directed against the United States, it was carried on determinedly upon an extensive scale, and did not cease until the American Government modified the measures against the entry of Chinese. Since then, the boycott became a favorite weapon of the Chinese and was employed with increasing frequency against foreign Powers.

Japan, because of her complex and intimate political and economic relations with China, naturally has had to face numerous occasions that led to boycotts from the *Tatsu Maru* Incident of 1908 down to the Wanpaoshan Incident and the present Manchurian Affair. Great Britain, too, has been victimized several times, notably since the May 30th Incident of 1925.

A fact that should be noted is that these boycotts have recently become well organized, effective and thorough; especially so since the establishment of the Nationalist Government.

2. *Characteristic Features of Chinese Boycotts*

A. Direction and Control by the Kuomintang

The earlier boycotts originated usually among students and merchants. But, beginning with the anti-Japanese boycott which occurred as an aftermath of the Tsinan Incident of 1928, the Kuomintang—the mother party of the National Government—has assumed the central control of the campaign, providing the various boycotts with organization and direction, and thus transforming them into semi-official movements.

B. Complete Rupture of Economic Relations

Chinese boycotts, from the original form of a refusal to buy foreign goods, advanced a step further by including a refusal to sell to foreigners, and finally they have now taken the form of a complete severance of all economic relations with foreigners.

Thus at present any Chinese boycott aims to put an end to all export and import trade with the country against which it is directed, in the endeavour to cut the subjects of that country off from all economic activities in China.

C. Quasi-legal Regulations and Penalties

The executive body of a boycott under the direction of the Kuomintang is allowed to set up and enforce quasi-legal regulations and to inflict upon the violators penalties—confiscation of goods, fines, public exposure, imprisonment and even death, without any interference from the Government. This fact alone serves to prove that the directing bodies of boycott movements are not simply private organizations of students or tradespeople.

D. Boycott as a Means of Achieving Anti-foreign Aims

(*Vide* "The Present Condition of China", Part I, Chapter IX)

E. Boycott Employed as an Instrument of National Policy is an Act of Hostility

(*Vide* "The Present Condition of China", Part I, Chapter XII)

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F. Boycotts and Domestic Politics

Several boycotts of recent years were conducted under the aegis of cries such as "Recover the Nation's Rights", "Promote Domestic Manufactures", or "Save the Nation". But, at the same time, boycotts have often been utilized in internal politics, as a weapon for assailing those who are in power. Thus, the anti-Japanese boycott of 1919 in connection with the Shantung Question, was engineered by a political group anxious to destroy the influence of Tuan Chi-jui, then at the head of the Peking Government. In 1923 the Chihli Faction instigated another boycott over the question of the recovery of Port Arthur and Dairen in order to embarrass its opponent, Marshal Chang Tso-lin, the overlord of Manchuria. Since the Tsinan Incident, the enemies of Chiang Kai-shek have been openly active in scheming for his downfall by involving him in diplomatic difficulties. It is they who champion the present boycott with the greatest zeal. At the same time, it should not be forgotten that Chinese communists also have a hand in the same movement on their own account, with a view to creating disturbances in China. It is part of their usual tactics, to weaken the anti-communist rulers by instigating anti-foreign boycotts in their territories and thereby causing the dislocation of business and finance.

CHAPTER II

DESCRIPTION OF BOYCOTTS

I

NATIONAL AND LOCAL BOYCOTTS

1. *National Boycotts*

The number of Chinese boycotts, that have been conducted on a more or less national scale, is 11 in number, of which 9 have been directed against Japan. In chronological order, they are as follows:

Year	Against	Cause
1. 1905	U. S. A.	the Chinese Exclusion Act
2. 1908	Japan	the <i>Tatsu Maru</i> Incident
3. 1909	"	the Antung-Mukden Railway Question
4. 1915	"	the So-called "21 Demands"
5. 1919	"	the Shantung Question
6. 1923	"	the Movement for the Recovery of Port Arthur and Dairen
7. 1925	"	the May 30th Incident at Shanghai
8. 1925-1926	Great Britain	ditto
9. 1927	Japan	Dispatch of Japanese Troops to Shan- tung
10. 1928-1929	"	the Tsinan Incident
11. 1931	"	the Wanpaoshan Incident and the Manchurian Affair

2. *Local Boycotts*

An accidental injury or death caused to Chinese by foreigners, or illtreatment of the Chinese crew on a foreign ship, or even such trivial matters as the overturning of sampans by a foreign boat frequently lead to a local boycott of the business, shipping, etc., of the country involved. Such a boycott is carried on in order to effect an

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advantageous settlement of the case in question. Some of the more prominent examples may be found in the Hankow anti-British boycott of 1927, which originated in a conflict between British marines and Chinese anti-foreign demonstrators and ended in the seizure of the British Concession in that city; another similar anti-British agitation at Kiukiang which occurred in the same year; and the two Hankow anti-Japanese boycotts, one growing out of a quarrel between a Chinese rickshaw-man and a Japanese blue-jacket and the other out of the injury sustained by a Chinese coolie through a collision of his rickshaw with a motor-cycle ridden by a Japanese blue-jacket. These boycotts, widely supported by the local populace, continued for several months, and resulted in a complete suspension of economic intercourse, were accompanied by various acts of violence.

II

ANTI-JAPANESE BOYCOTTS

1. Boycott Connected with the Tatsu Maru Incident, 1908

Origin: A Japanese steamer named the *Tatsu Maru*, (3,143 tons) which left Kobe on January 26, 1908, with a cargo of munitions consigned to a Chinese dealer at Macao, was seized on February 5 off the port of her destination by Chinese gun-boats, taken to the vicinity of Canton and detained there on a charge of carrying contraband. A vigorous protest from the Japanese Government effected the release of the vessel on March 15, and the incident itself was closed. But the Chinese public, dissatisfied with the alleged weakness on the part of their own Government, undertook a boycott against Japan with Canton and Hongkong as its centres.

Development: At Hongkong the movement was taken up unobtrusively but with a dogged determination. The leaders exacted a pledge from the merchants that they would not place any order for Japanese goods, thus causing a complete cessation of trade in Japanese manufactures. Moreover the Cantonese shippers at Hongkong adopted a resolution on April 5 for a boycott of Japanese ships to be enforced

under penalty of heavy fines,—namely, 60 dollars on a violator of the resolution and 80 dollars on a violator who used another's name.

At Canton a women's organization set up on April 6 a "National Humiliation Society", and declared their resolve not to use Japanese articles, while on the same day prominent citizens also founded a similar society, opened an exhibition of Japanese articles on the boycott list, and conducted a vigorous agitation among both dealers and consumers. The boycott, spreading gradually to other localities, became ultimately a nation-wide movement.

2. Boycott Connected with the Question of the Antung-Mukden Railway Reconstruction, 1909

Origin: During the Russo-Japanese War the Japanese Army constructed a narrow gauge military railway between Antung and Mukden. As a result of negotiations at Peking in 1905, the Chinese Government conceded to Japan the right "to maintain and work" it, and also "to improve the said line so as to make it fit for the conveyance of commercial and industrial goods of all nations."

The railway was accordingly improved so as to make it fit for commercial service, but soon it proved inadequate to cope with the fast increasing traffic. The necessity of reconstruction was obvious and imperative. In January, 1909, the Japanese Government opened negotiations with the Chinese Government for the reconstruction of the line and the purchase of the necessary land. The Chinese Government persisted in the view that Japan had only the right to improve, and not the right to reconstruct, the railway, but finally yielded to Japan's determined stand. In August a memorandum was drawn up at Mukden, and with the conclusion in September of the "Agreement concerning Mines and Railways in Manchuria" and the "Agreement concerning Chientao", pending questions between the two Governments saw a satisfactory settlement for the time being.

Development: The negotiations above detailed aroused much popular feeling in China. A large number of Chinese students in Tokyo went home, and started violent agitations in the Peking-Tientsin district calling for a boycott against Japan. The movement spread

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to all parts of Manchuria, and was taken up by Canton and other localities in South China, developing into the second nation-wide anti-Japanese boycott.

3. *Boycott Connected with the "Twenty-one Demands,"*
 1915

Origin: In 1914, as soon as Japan commenced to fight the Germans in Shantung there appeared a boycott movement among certain Chinese who were suspicious regarding the Japanese motive, but their Government succeeded in putting it down for the time being. After the fall of Tsingtao, the stationing of Japanese troops there again rekindled the anti-Japanese sentiment and called forth a boycott which did not slacken, in spite of repeated protests from Japan, till the beginning of 1915—the very year in the January of which the negotiations over the so-called "21 Demands" were opened between the two Governments, and all China and all Chinese communities abroad rose against Japan.

Development: At Shanghai the anti-Japanese movement steadily gained strength with the progress of the negotiations. A "Society for the Promotion of the Use of Domestic Articles" was founded as the centre of the boycott movement, which was responsible for many unlawful actions—such as obstruction of trade—against Japanese residents. Moreover, the notion that China should declare war on Japan received popular support, and an organization for raising war-funds made its appearance, and held a number of mass-meetings urging the people to save and subscribe money, at the same time fanning the flame of anti-Japanese sentiment.

At Canton the journalists, meeting on March 24, adopted a resolution relating to practical measures of boycott, and the rumours of impending war served to crystallize the sentiment into action, so that by the end of March no Chinese dared to deal openly in Japanese goods. The anti-Japanese boycott at Shanghai and Canton was caught up by Soochow, Hangchow, Nanking, Chinkiang, Wuhu, Anking, Kiukiang, Hankow, Nanchang, Changsha, Chungking, etc., along the Yangtze, and by Swatow, Hongkong, Amoy, Foochow, and other cities in South China. Soon it was extended to North China, to Peking, Tientsin and Chefoo, and finally to Manchuria, where Newchang, Changchun, Kirin and

Harbin were all equally affected.

The rigorous demand of the Japanese Government for the suppression of the movement caused the Chinese Government to issue on March 25 a Presidential Mandate, instructing local authorities to put down the anti-Japanese activities. As a result, the situation during April showed signs of quieting down a little in Shanghai and other localities.

However, in May the agitation was renewed with greater violence than ever. On May 13 a riot broke out at Hankow, in which Japanese shops were attacked and in several instances destroyed, a dozen Japanese being injured. A few days later the office of the Mitsubishi Company in the same city was burned down, and the factory of the Nippon Menkwa Company at Hanyang sustained destruction at the hands of Chinese mobs.

At Changsha a Japanese merchant was robbed of his goods which were burned on May 17; more Japanese goods were destroyed by fire at Chungking; on June 26 a band of 30 or 40 Chinese rowdies broke into the office of a Japanese steamship company at Yuenkiang, assaulted the Japanese staff and made away with the cash and clothing they found on the premises.

The boycott movement reached its height immediately after the conclusion of the Sino-Japanese Treaty on May 25, when it was taken up by Chinese residents in Indo-China, Singapore, San Francisco, Portland, Seattle and New York. But an emphatic order issued by the Chinese Government on June 6 to local authorities to suppress the agitation had its effect. Although on August 7 there occurred at Changsha an incident in which Chinese soldiers attacked a Japanese shop, and injured the employees, by the end of the year the movement had practically died down throughout China.

4. *Boycott Connected with the Shantung Question,* 1919

Origin: Ever since the clash of 1917 between the Northern and the Southern militarist factions, the erroneous impression that Japan was siding with the North grew upon the Chinese public. In May, 1919, when China failed to carry her point in the negotiations respecting Shantung at the Peace Conference of Versailles, stirred up by the

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unwelcome news from Paris and incited by anti-Government politicians, various student bodies at Peking broke out in riots. The disturbances soon took on the shape of an anti-Japanese boycott which, sponsored by students in other centres, was carried into all parts of China.

Development: The boycott movement on this occasion was also accompanied by various outbursts of violence such as the confiscation and burning of Japanese goods, the intimidation of Chinese merchants dealing in Japanese goods, and the destruction of their shops. The agitation was most fierce at Amoy, Foochow and Tsinan, and also in cities like Nanking, Soochow, Hangchow and Wuhu. In the last named city, destruction and plunder of Japanese shops took place on the 17th and the 19th of May.

Through a Presidential Mandate and police orders and even the intervention of the military police, as in the case of Tsinan, Hankow and Swatow—where the seizure of propagandist literature and the arrest of the ringleaders were effected, the movement was gradually brought under control. A collision which occurred in November at Foochow between Chinese students on the one hand and Formosans and Japanese on the other, barely failed to precipitate the resumption of a nation-wide campaign. By the spring of 1920 the movement had run its natural course, and all was quiet once more.

5. *Boycott Connected with the Question of Recovery of Port Arthur and Dairen, 1923*

Origin: The various concessions made by Japan at the Washington Conference encouraged China to overreach herself. On January 17, 1923, the Chinese Parliament adopted a bill relative to the recovery of Port Arthur and Dairen, and also voted for the abrogation of the Sino-Japanese Treaty of 1915. The Japanese Government promptly rejected the consequent overtures made by the Chinese Government on March 10. It happened that at that time struggles were rife between the Mukden and the Chihli factions. As a means of overthrowing the Mukden-ites then in power, the Chihli group instigated an anti-Japanese movement, which was supported by unscrupulous merchants seeking to attain their own selfish ends. March 25 was accordingly set aside as a

day for a nation-wide anti-Japanese demonstration. The agitation as usual had for its object a boycott of Japanese goods.

Development: The Chamber of Commerce of Shanghai opened the campaign in March by organizing a "People's Anti-Japanese Foreign Policy Association" and an "Economic War Committee", and by planning for a boycott of Japanese goods, a similar movement was started in Peking. Beginning on the "National Humiliation Days" of May 7 and May 9 feverish agitation raged in the Yangtze Valley, accompanied by the distribution of handbills, parades, and the surveillance and seizure of Japanese goods. The situation also became alarming in cities like Foochow, Amoy and Tientsin.

In June, when the movement was at its height, Japanese merchants were not only prevented from doing business, but were denied even the supply of daily necessities. By the end of July the movement began to subside throughout China, except at Hankow, owing to measures of suppression taken by the Peking Government and to other causes. The great earthquake of September in Japan provided an opportunity for those opposed to the boycott to make their voices heard. The conditions became normal shortly afterwards.

6. *Boycott Connected with Incident of the 30th of May, 1925*

Origin: The Incident of the 30th of May originated in an insignificant labour dispute at a Japanese spinning mill, the Naigai Cotton Spinning Mills, of which dispute a speedy solution was anticipated. But the insidious manoeuvres of communists and professional agitators rendered a settlement impossible. The workpeople were induced to make more and more exacting demands on the company, and finally some scores of strikers were incited to break into the company's compound on the evening of May 15. In a conflict that followed between the intruders on the one side, and the police (Indian) of the Municipality and Japanese employees of the company on the other, one of the Chinese mill-hands was killed and six were injured.

The event was capitalized by the agitators, who at once set out upon organizing an anti-Japanese boycott and street demonstrations. On May 23, 6 of the Chinese students and labourers, distributing hand-

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bills and collecting contributions for the victims of the above incident, were arrested by the Municipal Police for disorderly conduct. A week later, on May 30, a large crowd of students appeared in Nanking Road, one of the principal thoroughfares of Shanghai, and proceeded to conduct a riotous demonstration, scattering anti-foreign handbills and making speeches. Upon the arrest of the ringleaders of the disturbances, hundreds of excited and infuriated Chinese stormed a police station of the Municipality. The police fired upon the mob. In this *mêlée* 11 Chinese were killed, and a great number were injured. It was this disastrous incident that turned the Chinese from anti-Japanese movement to anti-British activities.

Development: As a consequence of the incident of May 30, beginning on June 1, all the Chinese shops in the International Settlement were closed, the police and the foreign volunteer corps were attacked by mobs, resulting in severe casualties; and the International Settlement was plunged into chaos. On June 23 the Chinese Chamber of Commerce of Shanghai proclaimed a suspension of business, and two days later declared rupture of economic relations with Japan and Great Britain. Reports of the incident were cabled to all parts of China.

The Kuomintang, the communist elements, and fire-brand politicians, all rallied in a colossal anti-foreign movement that swept the whole of China, under the banners of "Anti-Imperialism", "Cancellation of Unequal Treaties", "Abolition of Consular Jurisdiction" and "Restitution of Customs Autonomy", bringing about disturbances of a magnitude unparalleled since the Boxer Riots.

Inasmuch as the incident of the 30th of May originated in a labour dispute at a Japanese mill, and resulted directly from the firing by the police of Shanghai Municipality which was alleged to be under predominant British influence, the campaign was principally directed against Japan and Great Britain. Subjects of the two countries in Nanking, Hankow, Changsha, and all other cities in the Yangtze Valley were subjected to atrocious attacks and their shops and homes were plundered and destroyed. In South China alone 150 cases were reported in which Japanese suffered from assaults and destruction of property. The commercial losses were beyond calculation.

In the face of incendiary agitation by students and various anti-foreign organizations, the constant menace of mob violence, serious

obstructions to trade and frequent strikes of Chinese employees, and, moreover, being unable in some cases to obtain even food and drinks, a number of Japanese were forced to seek refuge on board of warships, or at consulates, or to leave China for home or Formosa.

However, by August 12 of the same year, when a satisfactory settlement of the original dispute at the Japanese mill was effected, the Chinese had come to realize the disadvantage of opposing both Great Britain and Japan at one and the same time, while the communists under orders from the Third International had decided to concentrate their attack on the British. Thus, the anti-Japanese boycott movement as directed against Japan was brought to an end in the middle of September.

7. *Boycott Connected with the Dispatch of Troops
to Shantung, 1927*

Origin: In May, 1927, as collision was imminent in Shantung between the Northern militarists and the Nationalist force, then on their expedition northward, Japan dispatched troops to ensure the safety of her nationals resident in that province. The action called forth loud protests from both North and South China. Especially the Nationalist army, upon the assumption that the Japanese were to take the side of the Northern militarists, embarked upon an anti-Japanese campaign. Politicians seeking power or publicity, and young men moved by a blind sentiment of patriotism, merchants eager to get rid of Japanese competition in their particular fields, all responded by making common cause with the Nationalists and finally brought about a nation-wide anti-Japanese boycott.

Development: On June 6, at Shanghai the Federal Committee of Trade Unions convoked a "Conference of Citizens Opposed to Japan's Dispatch of Troops", and sent out telegraphic messages to all parts of China urging economic war on Japan. A "Campaign Committee to Oppose the Japan's Dispatch of Troops" was organized, and at a mass meeting, held on June 12, resolutions on the severance of economic relations with Japan and on a customs blockade against Japan were adopted. The merchants in general were warned not to deal in Japanese articles, and the principal ports of the country were advised to set up

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an "Inspection Bureau" each.

The same "Campaign Committee" summoned a joint conference of various organizations in Shanghai, and organized the "General Economic War Alliance". The decision of the Japanese expeditionary force to advance to Tsinan served as a signal for the "Alliance" to put in force their penal regulations concerning boycott and to force all the merchants into the movement. Such illegality and extravagance being permitted without any interference by the Government authorities, the conditions grew steadily worse up to the middle of July.

In the meantime, complaints were raised by Chinese merchants against the rigour of the boycott, from which they had to suffer as much as, or even more than, Japanese, while the manoeuvres of the communists became more and more conspicuous. Considerations of internal politics induced the Nanking Government to issue on July 18 an ordinance prohibiting anti-Japanese movements, and the situation improved sensibly from that date.

The Shanghai agitation affected most of the localities along the Yangtze and North China as well, but without producing much practical result. In South China, however, it went on unabated. Namely, at Foochow, the provincial and municipal headquarters of the Kuomintang led the movement by mustering the trade unions and student bodies, and conducted a mass demonstration on June 25. In spite of repeated protests from the Japanese Consul-General, the situation assumed for a time alarming proportions. However, the Provincial Government, formally established early in July, took effective measures of suppression which, coupled with the instructions of the Nanking Government, brought the movement practically to an end.

At Amoy, the Kuomintang, with the support of various anti-foreign bodies in the city, formed a "Committee to Oppose Japanese Military Action", and carried on a campaign along the same line as at Shanghai. The inspection of Japanese articles and the injunction against the importation, sale, loading and transport of Japanese goods were rigorously enforced under the surveillance of the "Inspection Corps" of the Kuomintang. In the middle of July, the scandal at the municipal headquarters of Kuomintang and the Federation of Trade Unions came to light. Moreover, the Chinese merchants dealing in cotton yarns and marine products, who had been severely hit by the boycott, appealed

to the authorities for relief. Consequently the Provincial Government issued an order on July 20, strictly forbidding high-handed action on the part of the Inspection Corps. Upon the dissolution of this corps and other similar bodies by order of the local Garrison Commander on August 27, the movement at once subsided.

At Swatow, the divergence of views between the local Chamber of Commerce and the "Political Department" of the local Garrison Headquarters prevented the campaign inaugurated on June 20 from making much headway. It was only after the Japanese troops entered Tsinan that the "Political Department" of the said headquarters commenced to act, prohibiting the importation of Japanese articles and instituting the inspection of goods. The boycott, however, met with indifferent support, and died out in September upon the withdrawal of Japanese troops.

At Canton the centre of the movement was located in the "General Political Department" of the local Kuomintang. After the formation of the usual "Campaign Committee" and the "Economic War Committee" on June 13 and on July 7 respectively, the boycott commenced in earnest. The Inspection Corps and other agents making perquisitions throughout the city, a large amount of Japanese goods was confiscated from Chinese dealers. But the retaliatory measure of the Japanese merchants in refusing to sell coal, sulphur and other articles which could not be obtained from other sources, had a telling effect. A large number of Japanese articles were subsequently excepted from the boycott list, and the teeth were taken out of the movement. Though the Japanese occupation of Tsinan revived the agitation, and for a while no Japanese ship entered the port, the hardship sustained by the Chinese themselves and the orders of the Nanking Government led to the gradual abandonment of the boycott.

Early in September, upon the announcement of the decision of the Japanese army to withdraw from Shantung, the "General Economic War Alliance" of Shanghai voluntarily put an end to its activities. The Government authorities which had begun to exert pressure upon anti-Japanese organizations since August at Foochow, Amoy, Swatow, Canton and other cities, now resorted to stern measures of suppression. Throughout China the agitation ceased in the early part of September.

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8. *Boycott Connected with the Tsinan Incident,
 1928 and 1929*

Origin: In April, 1928, a collision between the Nationalist army and the Shantung provincial forces becoming imminent, war calamities threatened Tsinan and its vicinity again, and once more Japan sent troops there. On May 3, the Nationalist soldiers, who sacked the city and murdered a number of Japanese, clashed with our troops. Exaggerated accounts of this affair being circulated widely, the Chinese took to the boycott movement again with a renewed zeal and energy.

Development: The boycott spread not only all over the Yangtze Valley, South China, North China and Manchuria, but to Chinese communities in Singapore, Bangkok, the Dutch East Indies and the Philippines. At first, the Nationalist army being occupied with the Northern expedition, the authorities concerned considered it wise to hold the movement in check, so that the months of May and June passed more or less quietly in most places except a few such as Shanghai, Singapore and Bangkok.

But in July, as soon as the military operations against the North were over and a formal unification was achieved, and the moment arrived for the Nanking Government to undertake the negotiations with Japan on a number of important issues such as the settlement of the incident above-mentioned, the withdrawal of Japanese troops from the province and the revision of the treaty of commerce, all China and Chinese communities in the South Seas took up the boycott in full earnest.

In Shanghai the "All China Anti-Japanese Society Conference" met on July 21 at the General Chamber of Commerce, and after deliberations lasting a week adopted the "All China Anti-Japanese Society Constitution" on the 27th of that month, and also "By-laws on Procedure" to serve as standard of campaign rules for all anti-Japanese organizations in China. The movement grew in intensity till September, on the 18th of which, the "All China Executive Committee" passed a scheme for the rupture of economic relations with Japan, which, however, failed to produce any practical results. The situation continued till November without visible signs of further aggravation.

In the South Seas where first Japanese trade was stopped in most parts, the movement subsided towards the end of August with the

exception of Singapore and Bangkok. It ceased altogether in the Philippines, and by October also in the Dutch East Indies.

Hankow, which was affected comparatively little, began to fall in line with Shanghai only in the middle of August. Shantung and the Peking-Tientsin district did not respond till November, when in South China the situation was generally ameliorated to a considerable extent.

The movement, however, persisted till the summer of 1929 with many ups and downs. In July of that year the question of the Chinese Eastern Railway involved China in a dispute with the U.S.S.R. The latter invaded the Chinese territory in September, and became the immediate object of popular Chinese attack. The National Government having also issued secret instructions to relax the anti-Japanese movement, the long and fierce campaign ended at last.

A word may be added on the communist activities in connection with the movement under consideration. In order to embarrass the National Government from the rear and to promote the pro-Soviet sentiment among the mass, the communists were particularly active in the Yangtze Valley at the time of the Sino-Soviet dispute. Their efforts were not particularly fruitful as, since the diplomatic rupture of 1927, the National Government had kept minute vigilance of their movement. But the rôle of communists in all anti-foreign movements in China is a factor that should not be ignored in the consideration of the present day Chinese affairs.

Special Features: The anti-Japanese boycott of 1928-1929 was distinguished from its predecessors by special features which should not pass unnoticed. Namely:

(a) The movement was semi-official, being conducted under the direct guidance of the Kuomintang. Though in the preceding boycotts Government authorities and politicians were often found pulling the strings behind the curtain, they were for the most part conducted by students, workers and professional agitators. In the present case, it was the Kuomintang, the mother party of the National Government, that took charge of the movement by setting up anti-Japanese societies in various centres and by directing their activities. The head of the society in each city was always either a member or an officer of the local party headquarters. As both the central and local Governments of China are in the hands of Kuomintang leaders, and the party is

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constitutionally in the position to direct the Government, the party and the Government, existing nominally apart as separate organs, are in reality identical. It happens often that the same person occupies important positions in both the party and the Government. In these circumstances the intimate connections between the Government and the boycott movement directed by the party are more than obvious. In fact, in countless instances the police and the military took active part in the campaign by intimidating, arresting, or punishing violators of the rules of anti-Japanese societies. It was perhaps upon the realization of the impossibility to remove the inevitable semi-official brand from any organization sponsored by it that, in 1929, the Kuomintang decided to reorganize the Anti-Japanese Society into the "Society for Accelerating the Cancellation of Unequal Treaties", which had a less offensive name but was to serve the same end. The decision was reached on June 8, 1929, at the "National Conference of Anti-Japanese Society Delegates" convened at Nanking. The conference adopted a constitution for the new society, according to which it was to be a people's organ, created by the Kuomintang and various private organizations, for the purpose of effecting an early cancellation of China's "unequal" treaties and of achieving national progress and power. Its branches were to be established in every province and district, special municipality, and Chinese community abroad, to engage under the directions and the financial support of the local Kuomintang headquarters in an economic war on Japan until the "unequal" treaties with Japan were abrogated.

(b) Whereas on previous occasions agitators often resorted to acts of violence against Japanese merchants, or made unlawful demands upon them, the present boycott was accompanied with but a few minor cases of violence, such as the detention of Japanese-owned goods, efforts having been concentrated upon the control of Chinese traders.

(c) In contrast with the haphazard manner in which former campaigns were conducted by students, workers and professional agitators, the present one under the direction of the Kuomintang and in accordance with the rules of the Anti-Japanese Society possessed organization and method aiming at thoroughness and uniformity. The principal features of the rules adopted by the "First National Anti-Japanese Society Conference" of July, 1928, are as follows:

1. Listing of articles, the export of which to Japan are absolutely

prohibited. (Food stuff, cotton, coal, iron and other raw materials.)

2. Listing of articles the import of which from Japan are absolutely prohibited. (20 to 50% levy on articles already imported to be assessed and turned over to the campaign funds.)

3. 5 per cent levy to be assessed on contraband articles imported under special conditions.

4. Chinese shall not use Japanese notes, but withdraw all deposits from Japanese banks.

5. No Chinese shall load or unload Japanese goods, or take passage on Japanese ships.

These rules above were observed throughout China with slight modifications according to season and locality. The Anti-Japanese Society rigidly enforced its ban on the importation and sale of Japanese goods, and the violators of its rules were punished by fine, confiscation of goods, or public exposure, i.e., to be paraded on city street or exhibited in a wooden cage.

9. *Boycott Connected with the Manchurian Affair*

Origin and Development: The boycott, now in progress, is the most extensive in scale of all boycotts that have hitherto taken place in China. The origin goes back to the Wanpaoshan Incident of July, 1931. In the middle of that month the "Anti-Japanese Society to Aid Chinese Abroad" was first organized at Shanghai, which declared rupture of economic relations with Japan, and launched upon the execution of a practical programme. Other cities followed suit, producing a nation-wide movement, which was vastly intensified by the outbreak of the September 18th Incident. The Anti-Japanese Society was renamed the "Fight-Japan and Save-the-Nation Society", with an announced policy aiming at the permanent severance of all economic relations with Japan. (*Vide* "The Present Condition of China", Part I, Chapter XIV.)

Special Features: The "Fight-Japan and Save-the-Nation Society" at each locality, set up and directed by the Kuomintang headquarters as the main organ of boycott, is a powerful body being recognized and supported by the National Government and embracing the local leaders

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of the Kuomintang and the representatives of commercial and industrial groups as members of various committees. The society has set up quasi-legal rules, which are enforced under penalties. In fact, it has acquired such power that no Government authorities dare oppose its tyrannic *régime*, nor the court can refuse to accede to its demands.

The policy adopted by the society for economic rupture consists of rules: (a) not to purchase, use, or carry Japanese goods; (b) not to patronize Japanese banks, ships, or warehouses; (c) not to offer labour or service to Japanese; (d) not to supply food stuff or daily necessities to Japanese, and not to maintain social intercourse with Japanese. In other words, these rules aim not only at the prohibition of business transactions with Japanese, but at cutting off Japanese from social contact and food supply in order to make it impossible for them to remain in China.

As means of putting into practice the above rules, the society (a) conducts registration of Japanese goods, collecting fees therefor, and sends out the Inspection Corps for the inspection and seizure of Japanese goods; (b) by intimidation forces Chinese in Japanese employ to leave or to go on strike; (c) obstructs the communication and traffic and the delivery of goods not only between Chinese and Japanese but between Japanese themselves; and (d) punishes the violators of the rules by confiscation of goods or property, by fines, by parading them on street, exposing them in a wooden cage, or by other brutal treatments.

Students of universities, technical colleges and middle schools, are playing a special and important rôle in the present movement. Acting on the recommendation of the Kuomintang, they have formed an organization of their own, the "Students' Fight Japan and Save-the-Nation Society." They participate in anti-Japanese demonstrations, parades and propaganda work, and co-operate in the inspection and seizure of Japanese goods. They have frequently insulted and assaulted Japanese residents and school children. It is an open secret that the student activities are traceable to the direction of the Third International and the manoeuvres of communists.

The losses inflicted by the present boycott upon Japanese are described in detail in "The Present Condition of China", Part I, Chapter XIV.

The anti-Japanese movement has assumed such alarming proportions in some localities that it became unsafe even for the consular staff to remain. So far, all Japanese residents as well as the consular staff have been withdrawn from Chengchow, Chungkiang, Chengtu, Yunnan and Chihfeng, while all Japanese residents except the consular staff have left Hangchow and Shasi. Before the end of December, 1931, a large number of Japanese had also been withdrawn from various other cities and towns except those in the Province of Shantung.

III

ANTI-AMERICAN BOYCOTT

Origin: The commercial treaty between the United States and China, renewed and revised in 1905, contained a stipulation restricting more severely than before the entry of Chinese into America. The appeal for boycott made by the Shanghai commercial organizations are responded to by other cities in China, and also by Chinese communities abroad, bringing about the suspension of business with Americans.

Development:

(a) *Shanghai:*—As soon as it became known that the new treaty was to be signed on May 10, the leaders of commercial circles in Shanghai, meeting at the Shanghai Chamber of Commerce, sent a petition to the Department of Foreign Affairs appealing for the rejection of the treaty, and also passed a resolution to the effect that, unless the United States Government should change their attitude within two months, an anti-American boycott should be conducted on the following principles:

1. Chinese will refuse employment at American banks and commercial houses.
2. Chinese will refuse to transact business with Americans.
3. Chinese will not purchase American goods.
4. Chinese will not purchase articles with American labels coming through a third country, nor those recognized to be of American manufacture, whatever their labels may be.

The resolution, transmitted to the Department of Foreign Affairs

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and to all chambers of commerce in China, met with popular approval. When the two months period of notice had elapsed and the resolute stand of the American Government became known, the Shanghai commercial leaders met again on July 19 and adopted a resolution recommending a nation-wide boycott against the United States, which resolution was sent to 35 chambers of commerce in various parts of China.

On the following day a general conference of the representatives of commercial houses, banks, money exchanges, dealers in hard ware, piece goods, etc. was called together, at which a resolution similar to the above was adopted. Likewise, students, including girls, and labour unions passed resolutions for putting into practice the recommendations of the commercial leaders.

(b) *Canton*.—All classes of people responded heartily to the anti-American boycott resolution of Shanghai, and set up the "Treaty Rejection Society", later renamed the "Canton Society for the Rejection of the Treaty and the Boycott of American Goods".

This society adopted a resolution on June 17 to the effect that "all shops shall refrain from placing orders for American articles; an 'Executive Committee' shall be elected, whose duty it will be to visit shops and to urge upon the proprietors the observance of the society's boycott rules; a 'Campaign Committee' shall be elected to carry on propaganda for the boycott; and boycott rules and reproductions of American labels shall be printed for distribution in different districts."

The above-mentioned committees were duly elected and the campaign commenced. On August 12 the society passed another resolution embodying five points to the effect that "(1) tax and excise offices shall not pass American articles; (2) the names of the wicked merchants dealing in American goods shall be published in newspapers and put on the list to be shown at the Exhibition Hall for the perpetuation of their shame; (3) all the boat services of the province shall decline to transport American goods; (4) the Society shall cause songs to be composed proclaiming that even Christians, both protestants and catholics, in China approve the anti-American boycott; and (5) means will be devised to make use of the newspapers to combat the elements which do not join the movement". On August 1 the "Federation of Dealers in Foreign Articles" vowed in a temple that they would not order American articles, and the boycott was taken up by goldsmiths and silversmiths, confec-

tioners and restaurants. Lighter owners cancelled contracts with American concerns. The representatives of various Christian churches sent through the Chinese Minister at Washington a petition to the President of the United States asking for a modification of the treaty.

(e) *Soochow*:—The business men of Soochow heartily concurred with the Shanghai resolution. They sent a message to the Department of Foreign Affairs urging resistance to America, and also compelled the local American missionaries to dispatch an appeal to the United States Legation at Peking for the readjustment of the case. Angered by the failure to obtain thereby any practical results, they embarked upon a boycott of American goods and suspension of transactions with Americans from July 20, and, seizing American-made articles in the city, burned them in public.

(d) *Other cities*:—The Shanghai resolution was eagerly supported in Hankow, Changsha, Foochow, Amoy, Tientsin and other cities by commercial and industrial organizations, student bodies, compradors and labour unions, who joined the boycott movement *en masse*.

The same movement spread overseas among the Chinese in Siam, at Singapore, and other localities in the tropics, at Nagasaki, Kobe, Osaka, and Yokohama, Japan, and extended also to San Francisco and other American cities.

Outcome: The United States Government caused the Minister at Peking and the Consul-General at Shanghai to protest strongly against the boycott on the ground that it constituted a violation of treaty and injured Sino-American relations, and also to demand its speedy suppression as well as indemnities for the losses incurred by Americans. The Chinese Government retorted saying that they saw no objection to advising the tradespeople to cease boycotting American goods, but they could not force them to deal in American goods, in view of the freedom of making choice in such matters to which they were perfectly entitled.

However, for the reasons (a) that the United States Government issued instructions to exercise moderation in the enforcement of the regulations regarding the entry of Chinese, (b) that the Chinese merchants, being unable to dispose of their stocks of American cotton goods on hand, met with great difficulties, and (c) that in the middle of September the Emperor issued an edict and the Governor-General of Liangkwang (i.e. Kwangtung and Kwangsi) a mandate, both exhorting

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the populace to moderate their actions because of the harm done by the boycott to international relations, the movement gradually came to an end.

One thing that deserves notice in connection with this boycott is the fact that the Diplomatic Body at Peking and the Consular Body at Shanghai viewed the movement as a question of common concern to all foreign Powers in China, and they gave a warning to the Chinese Government and extended their co-operation in the suppression of the movement in the districts respectively under their jurisdiction.

IV

ANTI-BRITISH BOYCOTT

Origin: The anti-British boycott, as has been already related elsewhere, originated in the Incident of May 30th at Shanghai, 1925. The movement was successively stimulated by the Wanh sien Incident of August, 1926, by the declarations made by the British Government in December of the same year and in January of 1927, concerning their new liberal policy and by the landing of British troops in Shanghai. The Third International, manoeuvring behind the scene, was also instrumental in aggravating the situation.

Development:

1. May 30th Incident and After.

Reports of the unfortunate incident of May 30th produced immediately wide commotion in various parts of China. At Canton the agricultural, labour, military and other organizations organized on June 2 a great demonstration meeting against Japan and Great Britain which was attended by 5,000 people representing more than 40 different organized bodies, and a resolution was adopted proposing an economic rupture with Japan and Great Britain, a general strike of Chinese in foreign employ, the dismissal of foreigners in the service of the army and Government, and the recovery of foreign concessions and the customs administration. At Hongkong the Labour Federation dispatched telegraphic messages to all labour organizations

and newspapers in China urging them to oppose "imperialism", to demand apologies from Japan and Great Britain, and to insist upon the punishment of the guilty and indemnification for the victims.

However, because of the war in which the Nationalist army was involved with the Yunnan provincial forces, the movement, in spite of its furious inauguration, languished for a time until the Yunnanese were defeated. It was on June 18 that the Chinese crews of the British ships plying between Canton and Hongkong first went on strike. Then, the Seamen's Union adopted a resolution for an immediate strike of all Chinese on foreign vessels; employees of newspaper establishments, unionized domestic servants, tramway employees and others followed suit.

2. The Shameen Incident and the Subsequent Aggravation of the Situation.

Falling in line with their comrades at Hongkong, the Canton Seamen's Union also went on strike. On June 20 all the Chinese employees in the Anglo-French Concession of Shameen left work and withdrew into the Chinese city. Rumours of an impending Chinese attack on the Concession were freely circulated. The Consular Body discussed plans for the defence of Shameen. The British Consul-General sent a note of warning to the Canton Government, while marines were landed from the British and French warships.

On June 23, more than 10,000 Chinese soldiers, students and workpeople, marching in a body, fired into Shameen from the opposite bank. The marines of foreign Powers returned the fire, killing some 40 Chinese and wounding one hundred. The casualties on the foreigners' side numbered 10 or more including 3 Japanese severely wounded. This was the so-called "Shameen Incident", which created an immense sensation throughout China. At Canton the excitement knew no bounds. Boycott organizations multiplied, and, reinforced by Cantonese strikers returning from Hongkong, continued a vigorous campaign against Great Britain.

3. The Economic Rupture between Canton and Hongkong.

As a measure for suppressing the extravagant Chinese agitation, the Hongkong authorities resorted to an economic blockade of Canton,

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first by prohibiting on June 22, the export to that city of food stuffs and gold and silver specie, and on July 2, that of oil, petroleum, alcohol, etc.; and again by issuing on the 7th an order for the deportation of unemployed Chinese while at the same time coal was added to the prohibition list. On the 27th the British residents at the port held a mass meeting, wired to their home Government asking for protection of the British in Canton by force of arms, and demanded that they should warn the Canton Government as to the dire consequences which might be brought about should the latter continue to instigate anti-British activities. The atmosphere was tense.

At that time, as the affiliation of the Kuomintang—the mother party of the Canton Government, to the Chinese Communist Party—an offspring of the Third International—had already been effected, and Borodin and other Russian advisers and their Chinese disciples were in almost exclusive control of both the Canton Government and the Kuomintang, the strong policy of the British served only to add fuel to the fire. Canton decided to retaliate by declaring the rupture of economic relations with Hongkong. The National Federation of Workers, the Hongkong Strikers Committee, the Chamber of Commerce and other organizations were all united upon a common programme for the anti-British boycott. The rules as published read as follows:

- 1) All goods from Hongkong or Macao shall be refused landing at Canton, regardless of their origin.
- 2) British ships, and ships of other countries, calling at Hongkong and Macao, shall not be permitted to load in and around Hongkong.
- 3) Ships which do not call at Hongkong or Macao may trade at Canton in goods other than British.
- 4) The foreign goods in warehouse at Canton may be sold, if they are not British or British-owned.

Economic intercourse between Canton and Hongkong completely ceased. Not a single Chinese was to be found at any of British shops, offices or factories in the two cities. In the meantime, because of the vast losses suffered by the Hongkong merchants, the British authorities began to look for a turn in the situation, while within the Canton Government the right wing of the Kuomintang, led by Chiang Kai-shek, which had

wrested power from the communists, was ready to compromise with the British. Consequently representatives of both sides entered upon preliminary negotiations, the progress of which was, however, frequently interrupted by communist manoeuvres. Even after a formal conference had been convened on July 15, 1926, Canton did not cease from resorting to anti-British agitation by organizing frequent strikes and turning loose the "Inspection Corps" with a view to influencing the course of the negotiations to its advantage, while the British Government sent two gunboats, landed marines, and seized the vessels employed by the Inspection Corps.

Chiang Kai-shek, pre-occupied with his northern expedition, was compelled to come to a settlement with Great Britain, and the cessation of the anti-British boycott was formally proclaimed on October 10. The Chinese Communist Party, opposed to Chiang and his military adventure, deliberately ignored the proclamation. Moreover, the fierce campaign had gained too great momentum to be checked suddenly by a governmental order. Quickened to action by the presence of the British gunboats in the harbour, the Canton newspapers all assailed Great Britain, and the Chamber of Commerce and other business circles adopted a resolution in favour of the continuation of the boycott, while various organizations and institutions, agricultural, industrial, labour, military and political, joined in the agitation. A "Committee on Anti-British Economic War Expansion" was set up, which issued a "Manifesto on the Economic Rupture with Great Britain" and "Regulations relating to Transactions in British Goods". On October 10, the National Foundation Day, the Canton Federation of Chambers of Agriculture, Industry and Commerce, organized a huge demonstration which was participated in by 40,000 people. On November 1 the Inspection Corps formed by the Canton Chamber of Commerce began the investigation of the stocks of British goods held by various concerns, and after effecting a forced disposal of the same, issued notice prohibiting any further dealings in British goods. From that day on the Lighter Owners' Union, a powerful organization in the East River district, refused for 8 days to handle British goods. Thus, in spite of the agreement arrived at between the Governments, the popular anti-British campaign persisted with more or less vigour until the time of the Nanking Incident.

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4. The Wanhsien Incident and the Upheavals in the Yangtze Valley.

Towards the end of August, 1926, the troops under General Yang Sen, in an embroilment over trivial matters, seized two British steamers. The British authorities, failing to obtain satisfaction through protests, dispatched two gunboats and marines to the scene. In their attempt to recover the vessels by force the British came into collision with Chinese soldiers, shelled the city of Wanhsien, destroying a few scores of Chinese houses and causing casualties of several hundred soldiers and civilians on the Chinese side.

The Chinese people, already highly excited by the May 30th Incident, were spurred on to action by this Wanhsien Incident, the repercussions of which spread first through the Province of Szechuan and later to Mukden, Peking, Tientsin, Chefoo, Shanghai and other centres, especially over all the districts along the Yangtze.

At Wanhsien the district council, the agricultural, the industrial and other organizations petitioned both Yang Sen's army and the Government to suppress British atrocities and at the same time dispatched telegraphic messages to all parts of China urging some concerted action that would bring Great Britain to justice and secure to China adequate indemnities.

On October 6 some fifty different organizations held a mass meeting for the adoption of a resolution on the practical procedure for prosecuting an anti-British economic war. Chungking, Chengtu, Changsha, etc., each formed a "Wanhsien Massacre Vengeance Society", and adopted resolutions demanding the withdrawal of the British consuls, an embargo on the navigation of British ships, and the repudiation of Sino-British treaties.

The movement was supported by students, merchants, workers and all the vernacular press. But most conspicuous was the rôle played by the members of the Chinese Communist Party, in leading parades, presiding at mass meetings, and directing Inspection Corps.

5. The Seizure of the British Concessions at Hankow and Kiukiang.

Anti-British sentiment was worked to the highest pitch when the Nationalist Government was moved to Wuchang and came to be known as the "Wu-han" Government. The principal cause, among many others, was to be found in the active machinations of the Chinese Com-

munist Party, under the guidance of the Third International.

After the death of Sun Yat-sen the communists and the radical wing of the Kuomintang led by Borodin, practically controlled the Canton Government. Chiang Kai-shek succeeded in curbing their power only for a time. As Chiang became absorbed in his military operations against the war-lords of the North, the communists, paying scant attention to the opposition from the right wing of the Kuomintang, moved the seat of the Government to Wuchang, established their own rule over Hupei and Hunan, setting up communist institutions by means of sequestrations of land and other extreme measures. They were especially vehement in their denunciation of Great Britain, because ever since its failure to "sovietize" Europe and its entry into Asiatic fields of activity, the Third International had made it its chief goal to overthrow British power in the Orient, and to convert the Chinese in the Yangtze Valley, the stronghold of British commercial activities, to communism and anti-imperialism. Moreover, the Third International was convinced of the advantage of using the popular mass movement as a means of subjugating the Kuomintang. The instructions sent by the Third International to the Chinese Communist Party in December 1926 laid down as basic work for the party, under all circumstances, the manipulation of mass movements under the leadership of the Kuomintang and the acquirement of control of the Canton army. Thus it was, upon the establishment of the Wu-han Government, the communists who, casting all restraints aside, conducted an anti-British agitation.

Beginning on January 3, 1927, a spectacular demonstration was organized for three days at Hankow, in which a huge crowd marched into the British Concession, denouncing Great Britain and insulting the British. The British authorities, anxious to avoid trouble, refused to take up the challenge and ordered the withdrawal of marines from the Concession. Thereupon the mob occupied the Concession by force. Later the Concession at Kiukiang was seized in a similar manner. Flushed with these easy victories, the Chinese carried forward their anti-British movement with greater zeal than ever.

6. The Dispatch of British Troops to Shanghai and its Consequences.

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With the victorious advance of the Nationalist army the situation took on an alarming aspect, even the Shanghai International Settlement being threatened by a similar fate as befell the British Concessions on the Yangtze.

The British Government, therefore, decided to dispatch marines and 3 brigades of Indian Infantry, altogether an army of 23,000 or more, for the defence of the Settlement. The announcement of the plan on January 24 fanned the blaze of agitation to fresh conflagrations. At Hankow the provincial and municipal headquarters of the Kuomintang declared on the very same day a general strike and a total suspension of business in the Wu-han area in protest against the proposed British action. All workpeople, except those connected with the water-works and the electric plants, stopped work; and all shops were closed. On the following day, 50,000 people marched out in a parade organized by the Chamber of Commerce, crying at the top of their voices denunciations of Great Britain and of old and new Chinese militarists. At Canton 10,000 people attended a mass meeting on the 25th, which was called together by the Kuomintang and other public and private groups, and passed an anti-British resolution and manifesto, cabled messages to other cities, and also adopted a resolution recommending a general suspension of business throughout China, to take place on the 28th—a resolution which was carried out at Hankow, Shanghai, Canton, Changsha, Ichang, Kiukiang and other cities.

Outcome:

The attack of the Nationalist army upon Shanghai caused all other Powers to land marines and blue-jackets. Moreover, upon the occasion of the notorious Nanking Incident, the American and the French as well as the British shelled that city. The course of these events served to merge the anti-British movement in a general anti-foreign agitation. Later in June the dispatch of Japanese troops to Shantung produced an anti-Japanese boycott, which totally eclipsed the campaign against Great Britain.

CHAPTER III

CHARACTERISTICS OF CHINESE BOYCOTT

The characteristics of the Chinese boycott as conducted under the *régime* of the Kuomintang Government have already been noted in Chapter I. The present chapter will be devoted to a more thorough examination of the subject upon the basis of the facts presented in Chapter II.

1. *The Chinese Boycott of Recent Times Is a State Action
Aiming at a Rupture of General Economic
Relations*

1. A survey of the whole series of 11 Chinese boycotts in the past brings out the fact that the boycotts up to 1926 were largely left in the hands of students, certain trade circles, or political agitators, the Government usually assuming the rôle of a spectator without interfering in any way with the movement. But since the National Government came into power in 1927 to rule over the whole of China, so to speak, the Kuomintang, the mother party of the Government, has served as the source of inspiration and direction for boycotts. The movement then has become a kind of state activity manipulated by the Kuomintang as an instrument of policy of Nationalist China.

2. As described in detail elsewhere in "The Present Condition of China" and "Anti-Foreign Education in China", it has always been the traditional attitude of the Chinese people to despise and to hold in contempt all foreign nations. However, the Kuomintang Government goes further, in that it makes anti-foreignism a basic principle of its foreign policy, and instructs the young, trains the army, and guides the people in general accordingly. It was Sun Yat-sen who said that, as a

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means of realizing the Three Principles of the People, "the Chinese should drive out foreign political and economic influence from the country and should decline to co-operate with foreign Powers, by refusing to work for foreigners or use foreign articles or foreign currency". It is in accordance with the above teachings of the founder, which were embodied in the creed of the Kuomintang, and the fundamental programme of the Provisional Constitution of the National Government, that the party and the Government direct and carry on anti-foreign activities throughout China.

3. As a result, the boycott organizations of various localities, set up by the Kuomintang, resorted on each occasion to a programme derived from the above stated principle. Thus, the "Programme for Economic Rupture with Japan" adopted by all the anti-Japanese societies in China during 1928-29 was drawn up on the following lines:

(1) As to exports to Japan: a) the export of food stuffs, cotton, hemp, coal, iron, camphor, wood oil, and all other important raw materials to be declared absolute contraband; b) surplus products which could not be absorbed by Chinese factories or which their financial resources did not permit them to warehouse, to be declared conditional contraband; c) the export of articles of luxury to be permitted free. (Article II.)

(2) As to imports from Japan: a) articles of Japanese culture, science and medicine, and any raw materials indispensable for Chinese industry or for daily subsistence, to be declared conditional contraband; b) all other Japanese products to be declared absolute contraband. (Article III.)

(3) As to the financial phase: a) Japanese notes and currency not to be used; b) deposits in Japanese banks to be withdrawn; c) bill transactions between China and Japan to be prohibited. (Article IV.)

(4) As to communications: a) not to take passage on Japanese vessels; b) not to ship goods on Japanese vessels; c) not to unload goods from Japanese vessels. (Article V.)

In the present boycott, raging since 1931, the "Fight-Japan and Save-the-Nation Society" of Shanghai have established as rules for economic rupture: 1) not to buy, sell, or carry Japanese goods; 2) not to supply Japanese with raw materials and other articles; 3) not to take

passage on Japanese ships or load or unload goods on or from Japanese ships; 4) not to accept Japanese currency, but to refuse transactions with Japanese banks and to withdraw deposits from them; 5) not to work for or be employed by Japanese; 6) not to advertise in a Japanese newspaper, and not to receive Japanese visitors.

All the societies in other localities have acted along the identical lines.

As is clear from the foregoing, the Chinese boycott of these days is not a spontaneous movement on the part of the people, but a campaign organized and directed by an organ of the State for a thorough rupture of economic relations.

4. In the past, whenever a dispute of some importance, whether national or local in extent, was at issue with a foreign Power, China would ignore the efforts of the Power involved to settle the matter through the usual diplomatic channel, and immediately resort to the measures of attacking the economic interests of that Power, expecting thereby to gain a diplomatic victory; a remarkable fact which deserves special attention. Since a boycott is usually started thus in consequence of a diplomatic issue of one kind or another, it may be expected to cease with the settlement of that question. But such is not the case. Since the ultimate aim of Chinese boycotts is to drive out all foreign influences, political, cultural and economic, from China, unless and until that aim is attained, boycotts are liable to recur indefinitely. This may be gathered from the following facts:—

a) A responsible official of the National Government has frequently declared:

“This kind of popular movement cannot be restrained until the foreign Powers have relinquished extraterritoriality, returned their concessions and settlements, and abandoned all their rights and interests based upon unequal treaties.”

In this statement the speaker concentrates his attack on “unequal” treaties. But since Japan, through her geographical and other relations with China, is bound to have a great many issues to settle, besides the questions of “unequal” treaties, it is difficult to see how, even if she throws away all her rights secured by the existing treaties, she can avoid facing further boycotts in the future.

b) The constitution of the “All China Society for the Cancellation

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of Unequal Treaties", which was formed on the initiative of the Kuomintang in 1929 as the successor to the "All China Anti-Japanese Society", reads in part:

"Article I. It is the aim of the Society to unite and organize all the people of China, under the guidance of the Kuomintang, to promote the spirit of the Three Principles of the People to accelerate the cancellation of unequal treaties by means of economic rupture, to destroy imperialism, and to achieve the liberty and equality of races, and the independence and prosperity of our nation.

"Article III. Until all unequal treaties between China and Japan are nullified, the rupture of economic relations will be carried through."

Although Japan has been singled out as the objective of Chinese boycotts since the "unification" of the country by the National Government, it is plain that the ultimate goal lies further, and that, in case Japan should yield, or other Powers offer the opportunity, the boycott will at once be directed against other Powers, producing a general anti-foreign movement that may end in a second Boxer Disturbances.

5. To conclude, the Chinese boycott, exceeding by far the limits of a simple combine in refusing to buy, constitutes a State action by Nationalist China, which through a general rupture of economic relations aims *in fine* at the cancellation of the so-called "unequal" treaties, the recovery of rights and the total elimination of foreign influence. China wields it as an instrument of her national policy and a non-military but offensive weapon, in utter disregard of international peace and morality.

2. *The Hand of the Third International Is Always Noticeable Behind the Boycotts of Recent Years*

The Third International, ever since the Moscow Conference of July, 1920, at which it was decided to concentrate communistic propaganda upon Asia, took avidly to the task of the proselytization of China in accordance with the basic plans of Lenin and under the banner of rescuing the oppressed races. In the first place, it directed its offspring, the Chinese Communist Party, to co-operate with the *petite bourgeoisie* of China, and induced the Kuomintang under Sun Yat-sen to stir up anti-foreign sentiment. As a means of expelling the influence of Great

Britain, the United States, France, Japan and other Powers from China, it caused the movements against foreigners and foreign goods to take extreme forms, and instigated frequent strikes in foreign factories and other radical movements. The atrocious anti-British outbursts which followed the May 30th Incident of 1925, the Nanking Incident of 1927, and the attack on the Japanese Settlement at Hankow in the same year, were all led by members of the Chinese Communist Party. During the notorious Canton disturbances of December, 1927, the members of the Soviet Consulate were seen at the Chinese headquarters, directing the rioters. Since then, the Third International has cast aside its policy of co-operation with the *petite bourgeoisie* and has proceeded boldly upon a scheme of "red" revolution by communists, whereupon the alliance of the Chinese Communist Party with the Kuomintang was broken off. However, the Third International still retains a large proportion of the following it has won among workers and peasants, and continues to exercise clandestine authority over them. Moreover, the "red" armies, which are occupying parts of the Provinces of Kiangsi, Hunan, Fukien and Kwangtung, as well as workers and students are being employed for the perpetuation of anti-foreignism and for the realization of a "red" revolution.

The vigilance of the Kuomintang Government over communists is nowadays so strict that it is no longer possible for the latter to carry on large scale activities as formerly. But the workers and the lower class people and also the "intelligentsia" of China evince no inconsiderable attachment to the Third International, nor has the latter lost the means of reaching them through the headquarters of the Chinese Communist Party, which is thereby enabled to play an important rôle in stirring up boycott or other anti-foreign demonstrations. More recently, the successes of the "red" armies in South China, the break between the Nanking and the Canton Governments, the general economic depression, the destitution of peasants aggravated by the floods in the Yangtze Valley and in Shantung and Chihli; all these factors enabled the Chinese communists to be more active. That their increased activities owe a great deal to the assistance of the Third International is, needless to say, beyond doubt.

The part played by the Third International in Chinese boycotts adds a new significance to those boycotts, in the sense that the boycott becomes

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a movement which rejects all foreign influences in China and all capitalistic institutions, and which does not recognize any political systems which are opposed to communism. In this connection it may be noted that at the anti-Japanese mass meeting held at Shanghai on December 13, 1931, (at which 1,500 students and workers were gathered as participants, and 2,000 more as spectators) the speakers all assailed Japanese "imperialism", jeered at the National Government, and condemned the League of Nations. The resolution that was then adopted recommended besides the boycott against Japan and the arming of Chinese civilians, the rejection of the resolutions of the League of Nations and the Commission of Inquiry of the League, and support of the Soviet Government. The handbills distributed at the same meeting contained the message: "Unite! All the oppressed masses of the world, and destroy Imperialism!" After the meeting the crowd held a demonstration parade, and attacked the headquarters of the Kuomintang, smashing doors and windows. It is clear whither tends the Chinese boycott of to-day.

CHAPTER IV

ECONOMIC EFFECTS OF CHINESE BOYCOTTS

1. *Introductory Remarks*

Chinese boycotts against foreign countries have been characterized by a multiplicity of aspects. Conducted in a systematic manner and augmented with the years in their striking power, their effects have been felt in many directions with increasing severity.

The most direct and telling blow has been struck upon trade. The statistics give an eloquent testimony. Of course, trade is affected by many factors. From the figures quoted below it will not be possible to ascertain the precise extent of damage done by boycott, but they serve to indicate roughly but conclusively the deadly effects of the movement on trade.*

2. *The Effects on Trade of the Eleven Chinese Boycotts*

1. The Anti-American Boycott of 1905:

The American export trade with China for 1905 amounted to \$53,000,000, showing an increase by \$40,000,000, in spite of the boycott. This apparently contradicting phenomenon is explained by the fact that it was the year of the Russo-Japanese War, which gave American exporters an unusual opportunity in the Chinese market, and but for the boycott the volume of their trade would have mounted to a much higher figure.

2. The Anti-Japanese Boycott of 1908:

Japan's trade with China rose by about 25% in the ten years between 1900 and 1910, and Japan's exports for 1907 reached

* As to the source of statistics quoted, see the note at the end of the chapter.

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¥86,000,000. However, the figure for 1908, the boycott year, was only ¥61,000,000, i.e., ¥25,000,000 less than the above, while the imports also decreased by ¥8,000,000 in comparison with the preceding year. 1908 was a lean year for China on account of the poor crop and the fall in the price of silver. The consequent decline in the purchasing power of Chinese must have had something to do with the heavy fall in the export trade of Japan. However, the same must be attributed largely to the boycott, as may be seen from the statistics for South China (figures given in the trade statistics are for Central China and South China) and Hongkong where the effect of the boycott was felt more severely than in other parts.† It is shown that the value of Japanese exports for 1907 to that section of China was ¥82,000,000, whereas that for 1908 was reduced by 31%, namely to ¥56,000,000. Likewise the import from South China to Japan fell by 24%—or from ¥44,000,000 to ¥33,000,000.

(† Denomination of various regions of China is explained in the note given at the end of the present chapter)

Japan's Trade with China for 1907 and 1908 (Figures for Central and South China and Hongkong)
 (Unit ¥1,000)

	Export		Import	
	1907	1908	1907	1908
January	5,942	4,565	4,868	7,026
February	7,376	4,855	2,824	3,085
March	7,399	*6,028	2,788	*1,770
April	6,898	*5,311	2,129	*2,232
May	7,930	*5,586	2,617	*1,823
June	8,054	*5,020	1,734	*1,528
July	7,636	*4,095	2,058	*1,589
August	5,319	*4,199	1,855	*1,491
September	5,858	*4,277	1,839	*1,730
October	6,818	*4,962	5,017	*2,932
November	6,709	3,594	9,624	3,555
December	6,377	3,792	6,842	4,551
Total	82,314	56,256	43,595	33,099

* indicates boycott months.

3. The Anti-Japanese Boycott of 1909:

Japan's trade with China in 1909, in comparison with that for 1907, the year in which no boycott took place, showed in exports a decline by 16% (from ¥106,000,000 to ¥89,000,000) and in imports a fall by 4% (from ¥67,992,000 to ¥65,051,000).

Japan's Trade with China, 1907 and 1909—China and the Leased Territory of Kwantung (Hongkong excluded)

(Unit ¥1,000)

	Exports		Imports	
	1907	1909	1907	1909
January	5,899	5,053	6,057	4,375
February	9,170	6,961	4,072	5,121
March	9,336	7,291	2,656	5,977
April	9,337	8,002	6,569	6,440
May	11,390	9,083	6,175	7,160
June	10,205	6,540	4,634	5,788
July	8,574	6,196	3,980	4,443
August	7,644	*6,314	2,290	*2,752
September	8,625	*6,916	2,962	*3,151
October	9,870	*8,464	7,597	*5,110
November	8,452	9,465	11,052	7,412
December	7,518	9,001	6,936	7,324
Total	106,020	89,285	67,992	65,051

* indicates boycott months.

4. The Anti-Japanese Boycott of 1915:

The value of Japan's exports to China was ¥191,000,000 for 1915, which figure, compared with the figure ¥218,000,000 for the preceding year, meant a fall of ¥27,000,000 or 12%. In view of the Great War, then going on, which should have greatly stimulated Japanese trade, the seriousness of the effects of boycott becomes all the more evident.

On the other hand, due to the Japanese industrial expansion brought about by the war, her imports from China were increased by ¥25,000,000, as shown in the following table.

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Japan's Trade with China, 1914-1915 (Whole China)

(Unit ¥1,000)

	Exports		Imports	
	1914	1915	1914	1915
January	18,964	14,173	8,863	6,293
February	21,213	*13,318	5,446	* 8,841
March	23,224	*16,333	7,458	*11,690
April	20,601	*14,611	9,453	*14,067
May	21,172	*13,385	10,729	*13,866
June	17,147	*12,394	8,647	* 7,869
July	18,200	*13,720	7,663	* 7,334
August	12,677	13,971	4,689	6,204
September	16,329	17,783	5,627	8,250
October	15,932	19,210	7,593	9,784
November	13,744	19,264	7,443	9,434
December	16,713	16,713	6,846	12,355
Total	217,918	190,724	90,459	113,261

* indicates boycott months.

5. The Anti-Japanese Boycott of 1919:

The fact that the war-ravaged industries of Europe had not yet recovered, the rise of silver that greatly enhanced Chinese purchasing power and also the prevailing high price level, all contributed to swell, in spite of the boycott, the volume of Japan's exports to China in 1919 by ¥117,000,000 compared with the preceding year and reached ¥656,000,000. However, viewed on the basis of particular article, most of the important items on Japan's export list showed a downward tendency.

Japan's Trade with China, 1918-1919 (Whole China)

(Unit ¥1,000)

	Exports		Imports	
	1918	1919	1918	1919
January	28,431	45,601	24,100	36,694
February	35,273	50,934	21,276	30,991
March	51,379	55,486	24,833	31,729
April	42,447	57,852	26,719	33,708
May	47,193	*58,060	25,760	*42,410
June	35,060	*46,349	29,607	*43,815
July	34,204	*56,449	26,261	*42,247
August	38,490	*45,548	24,516	*39,552
September	46,079	*42,418	29,368	*33,435
October	64,153	*63,754	33,496	*42,967
November	59,640	*65,430	63,657	*51,074
December	56,934	*63,450	53,352	*58,447
Total	539,224	656,332	383,160	486,032

* indicates boycott months.

6. The Anti-Japanese Boycott of 1923:

The volume of Japan's export trade with China for 1923 dwindled to ¥392,000,000, showing a decrease of ¥78,000,000 compared with the preceding year. This enormous decline was, however, partly due to the fall of silver, the poor crops and the effect of the movement for the promotion of domestic manufacturing industries in China. Imports to Japan rose by ¥38,000,000, because the Chinese boycott movement of those days did not interfere in anyway with the exportation of Chinese goods.

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Japan's Trade with China, 1922-1923 (Whole China)

(Unit ¥1,000)

	Exports		Imports	
	1922	1923	1922	1923
January	29,008	29,587	28,578	29,274
February	31,547	28,251	31,053	33,985
March	46,263	42,563	33,398	38,777
April	48,224	41,723	25,693	38,231
May	48,980	*29,750	27,465	*44,591
June	42,377	*28,171	30,273	*40,864
July	35,381	*26,981	28,222	*21,703
August	34,628	*29,655	16,960	*12,522
September	36,525	34,890	13,764	10,222
October	41,559	35,974	18,705	119,865
November	38,337	35,030	25,211	29,224
December	38,976	29,815	33,343	36,180
Total	470,801	392,390	317,608	355,139

* indicates boycott months.

7. The Anti-Japanese Boycott of 1925:

The boycott movement that followed the May 30th Incident was first directed against both Japan and Great Britain. But because the campaign against Japan was brief, and only the boycott against Great Britain was continued with redoubled energy, which facts stimulating the imports from Japan, her export trade with China for 1925 showed an increase of ¥120,000,000 over the amount of the preceding year.

8. The Anti-British Boycott of 1925:

The British exports to China for 1925 fell to £15,000,000 (excluding re-exports) from £20,000,000 for 1924, suffering an immense decline of £5,000,000. According to the statistics compiled on the Chinese side, the figure for 1925 is given as 269,000,000 *Haikwan taels*—or 100,000,000 *Haikwan taels* less than that for the previous year.

9. The Anti-Japanese Boycott of 1927:

Japan's exports to China in 1927 fell from ¥574,000,000 for 1926

to ¥492,000,000.

Civil wars, revolutionary movements, anti-foreign agitation in general are all contributing factors to this large decline. But the decrease recorded for the month of July indicates clearly the havoc wrought by the boycott on Japanese trade. The imports also decreased by ¥38,000,000 compared with the preceding year.

Japan's Trade with China, 1926-1928 (Whole China)

(Unit ¥1,000)

	Exports			Imports		
	1926	1927	1928	1926	1927	1928
January	46,068	36,506	38,357	41,218	34,738	42,886
February	53,239	34,309	46,938	42,786	34,621	33,850
March	61,109	37,764	53,641	37,075	38,381	40,529
April	53,654	35,525	49,317	37,648	34,428	38,645
May	49,789	42,767	†50,867	40,842	37,787	†44,717
June	42,654	*47,059	†37,971	37,148	*35,669	†28,786
July	44,326	*42,173	†41,485	31,459	*21,717	†19,841
August	46,661	*47,415	†47,024	21,263	*16,201	†18,725
September	47,543	*42,744	†47,230	21,735	*19,492	†21,020
October	48,021	46,077	†50,507	23,456	26,372	†30,692
November	46,495	41,030	†38,264	29,156	30,199	†31,296
December	34,883	38,612	†37,920	34,081	34,450	†34,102
Total	574,421	491,983	539,520	397,871	360,081	386,109

* indicates boycott months.

† see the following paragraph.

10. The Anti-Japanese Boycott of 1928-1929:

As has already been described the Chinese boycott conducted in connection with the Tsinan Affair, for a period of one year and three months from May, 1928 to August, 1929, was of all boycotts in the past the most systematic and thorough one. As it is bound to be a model for future campaigns, its effects deserve to be recounted in greater detail.

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A. *Economic Effects on Japan and Japanese*

a. The plight of Japanese in the affected areas in China.

The repercussions of the boycott were directly felt by the Japanese engaged in business in the affected areas in China and in shipping and other circles in Japan intimately interested in the trade with China. In the boycott areas in China Japanese merchants soon found themselves cut off from all transactions with Chinese. No new orders were received; goods contracted for could not be delivered; but cancellations of outstanding orders and requests for postponement of payment for bills due followed one after another. Many Japanese importers, overstocked with goods they had ordered from Japan either to supply actual immediate demands or in anticipation of boycott, were plunged into great difficulties for lack of funds. Retail merchants, printers, and doctors were barely able to make living because of the total loss of their Chinese customers and patients.

Those who were hit most severely were independent importers with small capital at Shanghai; Japanese and Formosan traders at Amoy and Swatow; and retailers at Singapore and other South Seas ports. It should be noted, however, that the boycott affected the people in varying degrees according to the kinds of articles in which they dealt. For instance, even at Shanghai, dealers in Japanese goods for which there were no substitutes fared comparatively well. Not only the products of Japanese cotton mills—the leading Japanese industry in China—were exempted from the boycott list, but the Chinese workers employed by those mills did not strike nor participated in any anti-Japanese movements. Again, at Surabaya the Japanese traders in cotton fabrics experienced no practical difficulties in conducting their business.

b. Effects on various circles in Japan.

The total volume of Japanese trade with China for 1928 remained practically at the same level as 1927 but for a slight decrease in exports during the month of June, which was countered by the general animation of the import trade owing to the cessation of civil wars in China. However, compared with 1926, which is considered to be the normal year, May to July showed a decline ranging from 17% to 20%, and the total was ¥35,000,000 behind. Going into details according to dis-

tricts, exports to South China and Hongkong and also to Central China suffered a general decline, especially during June and July, while those to Manchuria, the Kwantung Leased Territory and North China gained considerably, the Manchurian trade from July on rising to a record mark for the preceding three years.

The financial circles in Japan were seriously affected by the stoppage of delivery of the consigned goods at Chinese ports. Moreover, owing to the financial difficulties prevailing among Japanese merchants of small means in China, branches of Japanese banks doing business with them found it impossible to collect bills and experienced all kinds of embarrassment.

As for the shipping industry, the steamer services on the Yangtze River and to South China and the South Seas suffered beginning in July from a drastic decrease in cargo, the bulk of which was taken over from Japanese ships to British, Chinese and Dutch vessels. The Osaka Shosen Kaisha suspended operation of the Bangkok line after the end of June because of the strike of Chinese wharf workers at that Siamese port.

Hundreds of independent exporters and manufacturers of Osaka and Nagoya, mainly interested in Chinese trade, were severely hit by the boycott, their business being brought to a standstill and their funds being tied up with the stocks on hands that could not be disposed of. Consequently hundreds of thousands of men and women connected with these traders and manufacturers were also thrown out of employment.

B. *Repercussions among Chinese*

a. *Among Chinese at home.*

The Chinese dealing in Japanese goods were not profoundly affected because they had either stocks on hand or could obtain substitutes from Europe, and moreover, they were able under the pretext of boycott compulsion to transfer all possible losses to Japanese merchants by demanding the non-shipment of goods ordered, by refusing to accept consignments, or by cancelling contracts as suited their convenience. However, on the part of Chinese consumers who were compelled to purchase undesirable substitutes and to pay higher prices, the boycott had serious and far-reaching economic consequences.

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b. Among Chinese abroad.

The various South Seas Chinese communities were doubly hit by the boycott and by the general economic depression, not a few of them going bankrupt. Chinese merchants at Kobe, engaged in South Seas trade, more than one hundred in number, were wrecked.

C. Effects as Seen in Statistics

Japan's Trade with China, 1927-1928

a. Exports and Imports (excluding Hongkong).

(Unit ¥1,000,000)

Year	Total Imports	Imports from China	Percentage	Total Exports	Exports to China	Percentage
1927	2,179	358	17	1,992	425	21
1928	2,196	385	18	1,972	483	24

b. Exports to Various Regions of China.

Destinations	First half of Year		Last half of Year		Total		Increase (+) or decrease (-)
	1927	1928	1927	1928	1927	1928	
Central China	71	107	93	86	164	193	+29
Manchuria	67	78	80	101	147	179	+32
Other Parts	64	58	50	53	114	111	- 3
Total	202	243	223	240	425	483	+58

c. Boycott Months Compared with Corresponding Period of the Preceding Year.

Parts of China	From July, 1927 To June, 1928	From July, 1928 To June, 1929	Increase (+) or Decrease (—)	Percentage
Central China	200	163	— 37	18
Manchuria	158	216	+ 58	37
Other Parts	103	97	— 11	10
Total	466	476	+ 10	2

(Note)—The export trade during the one year (July, 1927—June, 1928) affected by the boycott shows an increase of ¥10,000,000, or 2% as a whole, because of the unprecedented expansion of Manchurian trade, which increased by ¥58,000,000, or 37%. If we take alone the trade with Central China with Shanghai as its centre, it decreased by ¥37,000,000, or 18%, while the trade with both South and North China together decreased by ¥11,000,000 or 10%.

11. The Anti-Japanese Boycott Connected with the Manchurian Affair:

The boycott movement that occurred in the wake of the Manchurian outbreak is still in progress. It is, therefore, impossible to give a complete account of its effects, but from the actual circumstances of past several months it is evident that the present boycott is intended to drive out Japanese residents from China and to overthrow their commercial and industrial positions throughout that country. In fact, Japanese in China, except those in Manchuria and Shantung, having been deprived of their trade and livelihood, and subjected to a serious menace of their lives and property, are returning to Japan in large numbers. Thus, of all past anti-Japanese boycotts, this is the most devastating in every respect.

The large Japanese commercial and industrial establishments have all suffered immense losses, while smaller undertakings are mostly facing bankruptcy, and the unemployment produced by the situation threatens to present a serious social problem. As the general economic effects

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are described in detail elsewhere, (*Vide* "The Present Condition of China", Chapter XIV), only statistical particulars relating to trade will be given here below.

Japanese exports to China (excluding Manchuria and the Kwantung Leased Territory) for September, 1931, were valued at ¥16,000,000. If the amount be compared with that for the corresponding month of 1930, a reduction by ¥8,000,000, or 33% will be observed. Similarly the exports for October and November fell respectively by 66% and 80%. The December showed a decline of more than 80%.

The losses suffered by Chinese merchants have reached to no inconsiderable amounts, those dealing in Japanese goods being unable to carry on their trade. While in some cases they were able to get substitute from domestic or foreign sources, or to shift to other lines of trade, many found it impossible to effect abrupt changes in their long established scheme of business. Especially those who were known for their intimate connections with Japanese, were placed under strict vigilance of the Kuomintang and the Anti-Japanese Society; at the same time they fell into the disfavour of the public, so that they went out of business, one by one, dragging their bankers along the same trail to insolvency.

*Japan's Trade with China, 1931 (Manchuria and the Kwantung
 Leased Territory excluded)*

a. Exports.

(Unit ¥1,000)

	1931	1930	Decrease
Jan.—Aug.	144,999	179,607	34,608 (19.2%)
September	16,307	24,418	8,111 (33.2%)
October	9,555	28,093	18,538 (65.9%)
November	4,903	24,218	19,315 (79.7%)
December	4,866	24,561	19,695 (80.2%)
Total	180,630	280,897	100,267 (35.5%)

b. Imports.

	1931	1930	Decrease
Jan.—Aug.	75,841	81,868	6,027 (7.3%)
September	6,709	7,452	743 (10%)
October	7,527	8,882	1,355 (15%)
November	6,765	8,530	1,765 (20%)
December	7,366	10,536	3,190 (30%)
Total	104,208	117,268	13,060 (11%)

c. Figures according to Regions:—Exports and Imports.

Regions	Exports					Imports				
	Jan.— Aug.	Sept.	Oct.	Nov.	Dec.	Jan.— Aug.	Sept.	Oct.	Nov.	Dec.
North China										
1931	39,430	4,812	3,912	1,702	1,982	32,680	3,064	4,129	3,960	3,766
1930	51,765	6,678	7,945	6,428	5,851	35,779	3,349	4,039	3,912	5,079
Central China										
1931	73,463	6,536	4,507	2,243	1,722	36,834	2,915	2,912	2,389	3,197
1930	89,017	11,810	14,204	11,354	13,392	37,847	3,452	3,946	3,789	4,196
South China										
1931	3,382	209	53	23	18	6,077	683	457	352	235
1930	3,779	758	614	933	723	7,907	593	832	821	932
Hongkong										
1931	28,841	4,750	1,083	935	1,144	250	47	29	64	351
1930	35,046	5,172	5,330	5,503	4,595	347	58	65	17	499

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3. Table Showing the Effect of the Past Boycotts in Japan's
Exports to China

(Unit ¥1,000)

Year	Total Export (Hongkong and the Kwantung Territory excluded)	Boycott Origin	Boycott Areas	Note
1907	85,619			
1908	60,506	The <i>Tatsu Maru</i> Incident	South China	A decrease of ¥ 25,000,000 from the preceding year.
1909	73,087	The Antung- Mukden Railway Question	Whole China	The gains over the preced- ing year were probably due to the fact that the boycott was limited in area. How- ever, a comparison with 1907, or 1910, brings out clearly the losses caused to trade.
1910	90,037			
1911	88,152			
1912	114,823			
1913	154,660			
1914	162,370			
1915	141,125	The "21 Demands"	Whole China	A decrease of ¥ 27,000,000 from the preceding year.
1916	192,712			
1917	313,380			
1918	359,150			
1919	447,049	The Shantung Question	Whole China and South Seas	There were besides the boycott many causes for obstructing Chinese trade such as the exchange, the prohibition on the export- ation of certain Japanese articles, etc. But the ab- normal increase is largely due to the European in- dustrial dislocations.
1920	410,270			
1921	287,227			
1922	333,520			
1923	272,190	Port Arthur and Dairen Recovery Question	Whole China	A drastic decrease of ¥78,000,000 from the pre- ceding year.
1924	348,398			
1925	468,438	The May 30th Incident	Whole China	The anti-British boycott, superceding the anti-Japa- nese, served to increase Japan's exports.
1926	421,861			
1927	334,183	Dispatch of Troops to Shantung	Whole China	A decrease by ¥ 82,000,000 from the preceding year.
1928	373,141	Tsinan Incident	Whole China, South Seas	The important trade, which had suffered a drastic loss

			and Regions where Chinese reside	in 1927 on account of civil wars, was revived this year with the establishment of peace and the partial restoration of transportation facilities. Moreover, the anticipation of a higher tariff and the favourable rate of exchange and other circumstances, all contributed toward swelling the volume of Chinese imports from all countries. Consequently Japan's exports showed an increase of ¥39,000,000 (or 28,000,000 <i>Haikwan taels</i>) over the preceding year, though ¥49,000,000 less than that for 1926, and the rate of increase is much less compared with those for the exports of Great Britain and the United States. Had there been no boycott, the Japan's export trade would have shown no doubt a greater rate of increase than the trades of those two countries.
1929 1930 1931	346,652 280,825 155,751	The Manchurian Affair	Whole China, South Seas and Regions where Chinese reside	Japan's exports to China (excluding Manchuria and the Kwantung Leased Territory) during September, 1931, amounted to ¥16,000,000, which meant a decrease by ¥8,000,000 or 33% in comparison with the figure for September, 1930. The trade in October and November fell respectively compared with the corresponding months of the preceding year by 66% and 80%. Finally the trade in December declined by more than 80%.

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Note: 1.

Sources of statistics quoted in the present chapter are as follows:

- a. For Japan's trade with China:—
Monthly Return of the Foreign Trade of Japan,
published by the Department of Finance.
- b. For the trade of the United States of America with China:—
Foreign Commerce and Navigation,
published by the Department of Commerce and Labour, Bureau
of Statistics.
- c. For the trade of Great Britain with China:—
Annual Statement of the Trade of the United Kingdom with Foreign
Countries and British Countries,
published by His Majesty's Stationary Office.

Note: 2.

Denominations of various regions of China are as follows:

- a. North China: The Provinces of Hopei, Shantung, Shansi, Shensi and Kansu,
- b. Central China: The Provinces of Kiangsu, Chekiang, Anhwei, Honan, Hupei, Hunan, Kiangsi and Szechwan,
- c. South China: The Provinces of Fukien, Kwangtung, Kwangsi, Kweichow and Yunnan (Hongkong excepted),
- d. China Proper: North, South and Central China as above explained,
- e. Whole China: China Proper and Manchuria (except the Kwantung Leased Territory) and Mongolia.

CHAPTER V

LEGAL ASPECTS OF CHINESE BOYCOTT

I

BOYCOTT AND INTERNATIONAL LAW

1. *General Considerations*

A Chinese boycott, as recently conducted, is not a simple popular combine in refusing to buy, but a movement aiming at a thorough severance of all economic relations. It is accompanied by acts of violence against foreigners, the destruction and pillage of their shops and property, and the burning of foreign goods. Penalties are imposed upon Chinese who deal in foreign goods, while servants, cooks and factory hands in foreign employ are compelled by threats to strike or leave. Sometimes, foreign children are attacked on their way to school, and often foreign residents are denied even the supply of daily provisions, so that they must either starve or go back to their own country. Such is the nature of the boycott that has of late been directed against Japan. Japanese in China have been deprived of their liberty of residence and trade, and their rights and interests and the very foundation of their economic position is being undermined.

Neither is the boycott a spontaneous movement of the people, but it has an undeniably official character, inspired and directed as it is by the Kuomintang, the mother party of the National Government of China, for whom boycott is only a means of expelling foreigners from China, of recovering foreign rights and concessions in China, of abolishing consular jurisdiction and of repudiating the existing treaties. In the light of these facts, the Chinese boycott is not only destructive to international morality and to international peace and concord, but an illegal act that ignores the existence of international law, the Covenant of the

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League of Nations, and the Anti-War Pact, and violates both in letter and spirit the treaties of commerce and navigation and other engagements between China and foreign Powers.

2. *The Chinese Boycott is against International Law*

1. The Chinese boycott, being a comparatively recent phenomenon, has not yet received adequate treatment as a question of international law. Authorities are generally agreed on the point that the State is not obliged to suppress a boycott as long as it is a simple movement of the people and as long as it is not participated in by the organs or officials of the State, and is not accompanied by violence or any other illegal acts. There are certain scholars, however, who maintain that the State is responsible for the consequences of an anti-foreign boycott within its borders in case the movement is left unattended to and unchecked by that State.

2. As for the Chinese anti-foreign boycott as conducted by the Kuomintang, the case deserves special attention with regard to the following points:

(1) There is ground for considering the Chinese boycott as a State action, in view of the leading rôle played by the Kuomintang which is so intimately bound up with the Government themselves.

(2) The Chinese boycott involves illegal acts such as violence against the persons and property of foreigners.

(3) The Chinese boycott has this unique feature,—it is employed as an instrument of national policy in accordance with the basic anti-foreign principles of the National Government.

The movement should not be viewed as a matter that solely concerns any particular country that happens to be the victim; it must be dealt with as a breach of international law, and a violation of the Covenant of the League of Nations which was founded "in order to promote international co-operation and to achieve international peace and security . . . by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organized peoples with one another".

II

BOYCOTT AND TREATY

1. *Boycott and the Sino-Japanese Treaty of Commerce and Navigation*

The Chinese boycott violates the Treaty of Commerce and Navigation between China and Japan. Of this, the principal instances are as follows:

A. Protection of Lives and Property.

It is stipulated in Article I of the Sino-Japanese Treaty of Commerce and Navigation that, "There shall be perpetual peace and friendship between His Majesty the Emperor of Japan and His Majesty the Emperor of China, and between their respective subjects who shall enjoy equally in the respective countries of the High Contracting Parties full and entire protection for their persons and property".

The Chinese boycott in itself and in its attendant activities such as violent acts committed against Japanese, the detention and confiscation of Japanese goods, and the nullification and cancellation of existing contracts, attests clearly China's failure to discharge her treaty obligation to extend full protection to Japanese subjects.

B. Liberty of Trade.

The same treaty above referred to stipulates in Article IV that "Japanese subjects may . . . frequent, reside and carry on trade, industries and manufactures, or pursue any other lawful avocations in all the ports . . . opened to foreign residence and trade", and, further, that they are to enjoy "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 nation".

(i) First of all the boycott deprives Japanese subjects of the liberty of residence, by denying them the supply of daily necessities, rendering it actually impossible for them to remain in China.

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(ii) Secondly as to obstructions to trade in contravention of the above stipulation:

a. Chinese are forbidden to carry on transactions (buying and selling, making deposit in bank, carriage of goods, etc.) with Japanese;

b. Chinese are ordered to cancel outstanding contracts with Japanese;

c. All Japanese goods purchased by Chinese merchants are ordered to be either detained or confiscated;

d. Anti-Japanese boycott propaganda and demonstrations are conducted, and Chinese who purchase Japanese goods are punished or tortured;

e. Chinese who ship goods, or take passage, on board of Japanese vessels, are subjected to violence and intimidation;

f. Chinese dealers are ordered to register Japanese goods that pass through their hands, and to pay taxes as a contribution to the "Save-the-Nation Funds";

g. Chinese coolies who handle Japanese goods are often ordered to go on strike.

(iii) As to obstruction to industries and manufactures:

a. Special taxes are levied on Japanese-owned factories, or on raw materials and other items, in order to injure Japanese manufacturing industries carried on in China;

b. Chinese workers employed at Japanese factories are ordered to go on strike.

C. Employment of Chinese.

Article VII of the same treaty provides:

"Japanese subjects residing in the open ports of China may take into their service Chinese subjects and employ them in any lawful capacity without restraint or hindrance from the Chinese Government or Authorities".

The action of the anti-Japanese organizations rendering it impossible for Japanese to employ Chinese, through attacks upon and threats against Chinese employees (compradors, servants, cooks, factory hands, etc.) or by ordering them to strike, constitutes clearly a violation of

the above provisions. The Chinese Government take no steps to suppress such action but rather encourage it as a patriotic movement.

D. Rights of Conveyance of Cargo.

Article VIII of the Treaty reads: "Japanese subjects may hire whatever boats they please for the conveyance of cargo or passengers and the sum to be paid for such boats shall be settled between the parties themselves, without the interference of the Chinese Government or officers. No limit shall be put upon the number of boats, neither shall a monopoly in respect either of the boats or of the porters or coolies engaged in carrying goods be granted to any parties. . . ."

The action of the boycott organizations in forcing the lighter coolies to strike is a violation of the above stipulation.

E. Inland Charges on Goods.

Article XI provides: "It shall be at the option of any Japanese subject desiring to convey duly imported articles to an inland market to clear his goods of all transit duties by payment of a commutation transit tax or duty, equal to one-half of the import duty in respect of dutiable articles, and two and half per cent upon the value in respect of duty free articles; and on payment thereof a certificate shall be issued, which shall exempt the goods from all further inland charges whatsoever. . . ."

Moreover, the Treaty of Wang-hea concluded between China and the United States in 1844, to the privileges granted by which Japanese are entitled under the most favoured nation clause, provides (Article XIII, Paragraph 2) :

"Duties payable by merchants of the United States shall be received either in sycee silver or in foreign money, at the rate of exchange as ascertained by the regulations now in force; and imported goods, on their resale or transit in any part of the Empire, shall be subject to the imposition of no other duty than they are accustomed to pay at the date of this Treaty."

The Sino-French Treaty of Tientsin of 1858 provides likewise (Article XXIII) :

"Toutes marchandises françaises, après avoir acquitté dans l'un des ports de la Chine, les droits de douane liquidés d'après le tarif,

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pourront être transportées dans l'intérieur sans avoir à subir aucune autre charge supplémentaire que le paiement des droits de transit suivant le taux modéré actuellement en vigueur, lesquels droits ne seront susceptibles d'aucune augmentation future. Si des agents de la douane chinoise, contrairement à la teneur du présent Traité, exigeaient des rétributions illégales ou prélevaient des droits plus élevés, ils seraient punis suivant les lois de l'Empire".

Article XI of the Sino-Japanese Treaty stipulates that no taxes other than the regular customs duty and the transit tax shall be paid on goods imported by Japanese to China, while the Sino-American and the Sino-French treaties, as quoted above, provide that articles of merchandise imported by the subjects of the signatory Powers, are exempted, even after they have passed into the hands of Chinese merchants, from any supplementary charges.

Now during the past boycotts Japanese goods have been subjected to compulsory and periodic registration. And at each registration high fees were collected as a contribution to patriotic funds or under other pretexts, which really amounted to duties or charges other than those provided for by treaty.

F. The Most Favoured Nation Clause.

Article XXV of the Sino-Japanese Treaty sets forth the most favoured nation treatment to be accorded to Japan as follows:

" . . . it is hereby expressly stipulated that the Japanese Government and its subjects will be allowed free and equal participation in all privileges, immunities and advantages that may have been, or may be hereafter, granted by His Majesty the Emperor of China to the Government or subjects of any other nation".

It is obvious that all the boycott activities solely directed against Japan and Japanese subjects are on the other hand in violation of the above stipulation.

2. *Boycotts and China's Treaties with Foreign Powers Other Than Japan*

The Chinese boycott constitutes a breach of the treaties which China has concluded with foreign Powers other than Japan, in the

advantages secured by which Japanese subjects are of course entitled to share by virtue of the most favoured nation clause. The following extracts indicate the more important provisions involved.

A. Liberty of Residence and Mercantile Pursuits.

The Treaty of Nanking, 1842, between China and Great Britain,—Article II:

“His Majesty the Emperor of China agrees that British Subjects, with their families and establishments, shall be allowed to reside, for the purpose of carrying on their Mercantile pursuits, without molestation or restraint at the Cities and Towns of Canton, Amoy, Foochowfu, Ningpo, and Shanghai”

(The Wang-hea Treaty of 1844 between China and the United States,—Article III.)

(The Tientsin Treaty of 1858 between China and the United States,—Article XIV.)

(The Sino-French Treaty of Tientsin of 1858,—Article VII.)

B. Liberty of Movement and Trade.

The Treaty of Tientsin, 1858, between China and Great Britain,—Article XI:

“ They (British subjects at the open ports) are permitted to carry on trade with whomsoever they please, and to proceed to and fro at pleasure with their Vessels and Merchandise ”

(The Sino-French Treaty of Whampoa, 1844,—Article II.)

C. Right to Employ Chinese.

The Treaty of Tientsin, 1858, between China and Great Britain,—Article XIII:

“The Chinese Government will place no restrictions whatever upon the employment, by British subjects, of Chinese subjects in any lawful capacity”.

(The Sino-French Treaty of Tientsin, 1858,—Article XI.)

D. Undertaking with Regard to the Protection of Persons and Property of Foreign Residents in China.

The Sino-American Treaty of Wang-hea, 1844,—Article XIX:

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"All citizens of the United States in China peaceably attending to their affairs, being placed on a common footing of amity and goodwill with subjects of China, shall receive and enjoy, for themselves and everything appertaining to them, the special protection of the local authorities of Government, who shall defend them from all insult or injury of any sort on the part of the Chinese.

"If their dwellings or their property be threatened or attacked by mobs, incendiaries, or other violent or lawless persons, the local officers, on requisition of the Consul, will immediately despatch a military force to disperse the rioters, and will apprehend the guilty individuals and punish them with the utmost rigour of the law".

The Sino-American Treaty of Tientsin, 1858,—Article XI:

"All citizens of the United States of America in China peaceably attending to their affairs, being placed on a common footing of amity and goodwill with subjects of China, shall receive and enjoy, for themselves and everything appertaining to them, the protection of the local authorities of Government, who shall defend them from all insult or injury of any sort...."

The Sino-French Treaty of Tientsin, 1858,—Article XXXVI:

"Si, dorénavant, des citoyens français éprouvaient quelques dommages ou s'ils étaient l'objet de quelque insulte ou vexation de la part de sujets chinois, ceux-ci seraient poursuivis par l'autorité locale, qui prendra les mesures nécessaires pour la défense et la protection des Français: à bien plus forte raison, si des malfaiteurs ou quelque partie égarée de la population tentaient de piller, de détruire ou d'incendier les maisons, les magasins des Français ou tout autre établissement formé par eux, la même autorité, soit à la réquisition du consul, soit de son propre mouvement, enverrait en toute hâte la force armée pour dissiper l'émeute, s'emparer des coupables et les livrer à toute la rigueur des lois; le tout sans préjudice des poursuites à exercer par qui de droit pour indemnisation des pertes éprouvées".

III

JAPANESE WARNING AND CHINESE CONTENTION CONCERNING RESPONSIBILITY WITH REGARD TO BOYCOTT

1. The anti-Japanese movement, following the outbreak of the Manchurian Affair, called forth strong protests from Japanese consuls at places affected regarding various local phases of its development. The Japanese Government sent the following Memorandum under date of October 9, 1931, to the Chinese Government, calling the attention of the latter to the movement as a whole and the responsibilities they should assume:

“1. The Japanese Government have already made it clear that the Manchurian Affair is nothing but an outcome of the deep-rooted anti-Japanese feeling in China which has taken specially a provocative form in the recent challenge to the Japanese troops, compelling the latter to resort to measures of self-defence. The responsibility for the present situation naturally lies with the Chinese Government.

“The Japanese Government have time and again requested the Chinese Government to take proper steps to check the anti-Japanese movement so systematically carried out in various places in China. Being desirous of maintaining cordial relations between the two countries, this Government have exercised the greatest patience and forbearance in the hope that this deplorable state of affairs may yet improve. Unfortunately, however, the anti-Japanese agitation seems now to be assuming alarming proportions. It is learned that the anti-Japanese societies at Shanghai and elsewhere have passed resolutions not only to enforce the prohibition of trading in, and the carriage of, Japanese goods, but to order the cancellation of existing contracts, and otherwise to prohibit all business transactions and to cancel contracts of employment between Chinese and Japanese, in order thus to effect the so-called ‘severance of economic relations with Japan.’ For that purpose, the examination and detention of goods and persons, intimidation and violence and various other means are being employed to give effect to

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such resolutions, and severe penalties are meted out to any who may fail to comply with these orders, some societies even going so far as to threaten with capital punishment. Moreover, the cases of expropriation and detention of goods owned by Japanese people and of threats and violence against their lives and property have become so numerous and insistent throughout China that they have been forced to withdraw totally or partially from various localities.

"2. It is to be noted that the anti-Japanese movement in China is conducted as an instrument of national policy under the direction of the Nationalist Party, which, in view of the peculiar political organization of China, is inseparable from the Government. That movement must therefore be clearly distinguished from one which originates spontaneously amongst the people. It is therefore evident that the present anti-Japanese movement in China is not only in contravention of the letter and spirit of the treaties existing between the two countries, but constitutes a form of hostile act, without the use of arms, contrary to all standards of justice and friendship. The Chinese Government will be assuming a very serious responsibility if they should fail to take prompt and effective measures to quell that agitation. Moreover, in meting out penal sentences to individual citizens, the anti-Japanese societies, which are purely private organizations, are clearly usurping the authority of the National Government.

"3. It will be remembered that at a recent meeting of the Council of the League of Nations at Geneva, the Chinese representative as well as the Japanese gave the assurance that their respective Governments would endeavour to prevent the aggravation of the situation. The Chinese Government, obviously against that pledge, are actually aggravating the situation, by making no honest or effective effort to restrain the activities of the anti-Japanese societies which are jeopardizing the lives and property as well as the liberty of trade of Japanese subjects in different parts of China.

"4. The Japanese Government desire to call once more the serious attention of the Chinese Government to these actions on the part of the anti-Japanese societies, and to declare at the same time that the Chinese Government will be held responsible for whatever may be the consequences of their failure to suppress the anti-Japanese movement and to afford adequate protection to the lives and property of Japanese sub-

jects resident in China”.

2. The Reply of the Chinese Government.

The Chinese Government in their reply, dated October 12, took exception to Japanese measures of self-defence in Manchuria, and denied their responsibility for the boycott, arguing as follows in utter disregard of facts and legal aspects of the case:

“ . . . The Chinese Government have imposed a rigorous discipline upon the nation in order to ensure in every respect the protection of the persons and property of Japanese resident in the Chinese territories under Chinese administration. The fact that no regrettable incident has occurred anywhere in the vast domain under Chinese rule is sufficient to prove in a conclusive fashion how scrupulously the Chinese Government have observed their engagements towards the Council of the League of Nations. The repeated ordinances and proclamations issued by the Government have held the just indignation of the Chinese people within legal bounds. Moreover, the Chinese Government, on October 7, sent out once more an order to local authorities ‘to ensure the full and entire protection of foreigners and to prevent reactionary elements from provoking lawless actions’. This order was given at the very moment when it was quite evident that the Japanese Government were not going to fulfil their promise to withdraw the troops.

“In accordance with the terms of the resolution of the Council of the League of Nations the Chinese Government have appointed two high officials for taking charge of the evacuated areas, and notified both the Japanese Government and the League Council to that effect. However, the Japanese Government have so far failed to execute their announced intention of turning over the occupied territories to the Chinese Government. As shown by the reports of neutral observers, the Japanese troops are actually occupying Mukden, Kirin, Tunhua, Chiuliuho, Sinmin and Tienchuangtai, and they continue to injure innocent citizens and to destroy their property.

“The world is indeed surprised to see that the Chinese people in their indignation have not gone beyond merely refusing to buy Japanese articles. The liberty of choice in making purchases is a personal right which no Government can interfere with. While the Government are responsible for the protection of foreign lives and property, they are

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not required by any commonly recognized regulations or principles of international law to prohibit or punish the exercise of an elemental right of every citizen. If responsibility lies anywhere in this matter it must rest entirely with the Japanese Government which since the Wanpao-shan Incident have through a number of unfriendly acts created the general aversion against Japanese merchandise''.

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RELATIONS OF JAPAN WITH MANCHURIA AND MONGOLIA*

Introductory Remarks

How far the present dispute between Japan and China dates back, and how deep-rooted it is, has been cursorily described in another volume entitled "The Present Condition of China with Reference to Circumstances Affecting International Relations and the Good Understanding between Nations upon which Peace Depends" (hereafter to be referred to as "The Present Condition of China"). In fact the circumstances that directly disturb international relations and the good international understanding upon which peace depends, and that have caused repeated occasions of discord between Japan and China, countries which ought to be on neighbourly and friendly terms with each other, have been brought about by the anti-foreign movements prevalent in China and the disunion and disorder subsisting there.

In regard to the dispute pending between the two nations at the present moment, there are two phases, entirely different in nature from each other and to be considered independently of one another. One of these is the question of Manchuria and Mongolia and the other the Shanghai Affair.

§ 1.—As a matter of fact, the Shanghai Affair owed its immediate origin to an unlawful attack made by Chinese regulars and un-uniformed corps upon Japanese bluejackets when the latter took up the duty of guarding the International Settlement of Shanghai in concert with the troops of other foreign Powers. Prior to this, the anti-Japanese agitation

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Necessity of distinguishing the Manchurian question from the Shanghai Affair

* Unless otherwise specified the term "Mongolia" implies Eastern Inner Mongolia.

in Shanghai and the neighbourhood had been going from bad to worse; there had occurred the murder of Japanese Buddhist priests by Chinese mobs and other unfortunate incidents in rapid succession, and the situation had consequently become very alarming. In view of this, a state of emergency was proclaimed, on the 28th of January, 1932, in accordance with a decision arrived at by the Municipal Council. Accordingly, in conformity with a plan agreed upon the preceding day at a meeting of the commanders of the troops of the various Powers and representatives of the Municipal Council concerning the areas to be guarded by them respectively, the Japanese bluejackets were proceeding to take up their posts in the sector allotted to them, namely the area east of North Honan Road and north of the Soochow Creek as far as Yangtsepoo, when Chinese regulars suddenly opened fire on them. Moreover, Chinese soldiers in plain clothes showed themselves active in the same area as well as in the International Settlement, with the result that the Japanese and Chinese entered into a state of hostilities. Thus the action of our troops was nothing more than what was necessary in self-defence.

Respecting the aims that Japan has in view in Shanghai, these do not extend beyond securing the cessation of anti-Japanese actions on the part of the Chinese, the protection of the Japanese residents and the safety of the International Settlement. If these objects are accomplished, Japan has nothing more to desire.

In fact what Japan seeks to obtain in China Proper is in no single particular different from what is sought by the other Powers. Of course Japan has very important economic interests in China Proper, which in their magnitude transcend, so as scarcely to admit of comparison, those of other Powers. For instance, taking exports and imports together the trade with China of Japan is on an average more than 20 per cent of the total Japanese foreign trade; and, occupies a quite special position as compared with the trade of other Powers with China (Note).

Note:

RELATIVE POSITION OF THE POWERS IN EXPORT AND
IMPORT TRADE WITH CHINA

Japan (1930)	(¥1,000)	(¥1,000)
Total amount of imports:	1,546,050 ditto from China:	283,610 18.3%

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Should Japan therefore lose her trade with China, her manufacturing industries, her foreign trade and many other enterprises carried on by her people would be dealt a heavy blow. In regard to the number of foreigners resident in China, too, the Japanese living in China Proper is about 70,000, which is larger than the combined number of all other foreigners resident in that country. Again, the total amount of capital invested in China Proper by Japanese is estimated at about 1,200,000,000 yen; and because of the nature of the business carried on by them and their financial situation, the losses sustained by them through anti-Japanese movements are usually very heavy. In addition, Japan possesses various other highly important interests. Nevertheless, the interests which Japan seeks to protect in China Proper are not of a very different nature from those which the other Powers desire to maintain

" "	exports:	1,469,852	" to "	403,286	27.4%
" "	trade:	3,015,903	" with "	686,896	22.7%
Japan (1929)		(¥1,000)		(¥1,000)	
Total amount of imports:	2,216,240	ditto from China:	376,905	17.0%	
" "	exports:	2,148,618	" to "	532,193	24.8%
" "	trade:	4,364,858	" with "	909,098	20.8%
U.S.A. (1929)		(\$1,000)		(\$1,000)	
Total amount of imports:	4,399,361	ditto from China:	166,233	3.8%(about)	
" "	exports:	5,240,995	" to "	124,163	2.4% "
" "	trade:	9,640,356	" with "	290,396	3.0% "
Great Britain (1929)		(£1,000)		(£1,000)	
Total amount of imports:	1,220,765	ditto from China:	12,156	0.99%	
" "	exports:	839,051	" to "	14,145	1.71%
" "	trade:	2,059,816	" with "	26,305	1.27%
France (1927)		(1,000 francs)		(1,000 francs)	
Total amount of imports:	46,751,340	ditto from China:	1,230,506	2.34%	
" "	exports:	46,962,585	" to "	265,504	0.56%
" "	trade:	93,713,925	" with "	1,496,010	1.58%
Italy (1927)		(1,000 lire)		(1,000 lire)	
Total amount of imports:	20,375,000	ditto from China:	216,662	1.06%	
" "	exports:	15,632,000	" to "	131,118	0.83%
" "	trade:	36,007,000	" with "	347,780	0.96%
Germany (1927)		(1,000 marks)		(1,000 marks)	
Total amount of imports:	14,228,000	ditto from China:	113,700	0.8%(about)	
" "	exports:	10,801,000	" to "	60,100	0.55% "
" "	trade:	25,029,000	" with "	173,800	0.69% "

in that country, though they differ in degree and magnitude. After all, what the Japanese Government desire to secure in the district of Shanghai is simply the protection of the economic interests possessed by Japanese. It is the hearty desire of the Japanese Government that normal conditions may be restored to the district as soon as possible, provided that they can be assured of that protection, and that adequate measures are taken to remove all menaces from the Chinese side.

2
Special nature of
Japan's relations
with Manchuria
and Mongolia

§ 2.—The relations of Japan with Manchuria and Mongolia, however, are of entirely different nature from those which she has with China Proper. The two can not be viewed in the same light. To explain why this should be so, we must take into consideration the three aspects of (1) the necessity under which Japan lies of removing menaces to her safety, (2) the protection of her vested rights and interests and (3) the preservation of her right to economic existence. Some of these points have already been dealt with in "The Present Condition of China", but as they are there referred to only so far as was necessary in order to explain the existing state of things, the statements there contained are naturally inadequate fully to explain Japan's relations with Manchuria and Mongolia. Somewhat detailed explanation is therefore deemed necessary to make the whole situation clear.

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PART I

MANCHURIA AND MONGOLIA AND THE SAFETY OF JAPAN

§ 3.—That the situation, for better or worse, prevailing in Manchuria and Mongolia directly and seriously affects the safety of Japan is so plain a fact that few words are needed to explain it. Surrounded by the sea and exposed to external attack on all sides as our country is, there was at one time something intense in our apprehensions in this respect. Thanks, however, to the establishment of the League of Nations and the conclusion of treaties and the adoption of resolutions at the Washington Conference as well as various agreements concluded before or since then with a view to the preservation of international peace, this fear of ours has greatly been mitigated: but there are certain special circumstances constituting a grave menace to Japan from the Asiatic continent which the above-mentioned international stipulations can not of themselves remove. The first of these circumstances (to consider only the most important) is the present chaotic condition of China which imperils the safety of this country; and the second is the present confused state of political thought and ideas in the Far East which threatens the very foundations of our State.

3
 Menaces coming
 from the Asiatic
 continent

Chapter I

Present Condition of China as a Source of Danger to the Security of Japan

I. *Internal Menaces to Manchuria and Mongolia*

4
Disunion and disorder of China endanger the safety of Manchuria and Mongolia

§ 4.—One of the present features of China which is calculated to imperil Japan's safety, and demands our immediate notice, is the disunion and disorder prevailing in that country, which also constitute a source of danger to the peace and order of Manchuria and Mongolia.

The way in which China is divided, how she continues to remain in a disorderly and anarchical condition and how imperilled is her very existence as a State in consequence, has already been explained in Part II of "The Present Condition of China". In case Manchuria and Mongolia should become the actual scene of this dangerous state of things, no matter whether that arises from internal or external causes, the national defence and safety of Japan will be disturbed in a direct and serious manner.

II. *External Menaces to Manchuria and Mongolia*

5
Past examples

§ 5.—Judging from past experience, danger comes mostly from without, the most conspicuous example being the Russian aggression on Manchuria and Mongolia between 1898 and 1905. There is no necessity to describe here in detail all the preparations made by Russia under the Czarist *régime* for the purpose of absorbing Manchuria. Nor is it necessary to recall what a serious menace the Russian occupation of Manchuria brought in its wake to the safety of Japan, for this is a well-known historical fact. Furthermore, not only did the danger to Manchuria and Mongolia from external aggression arise from the policy of the foreign Power in question, directed to that end, but it was frequently occasioned by the foreign policy of the Chinese Government

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themselves. For example, soon after the Sino-Japanese War, the Chinese Government, with the object of avenging themselves upon Japan, were ready to set Russia against Japan by taking advantage of the Far Eastern ambitions of the former, and gave facilities to Russia for extending her influence to Manchuria and Mongolia.

§ 6.—In particular, in 1896 China concluded a secret treaty with Russia against Japan, by which the two countries pledged themselves to support and help each other with their respective armies and navies against any invasions of Russian territory in Eastern Asia or of the territory of China or Korea. On the face of its provisions, this treaty was one of alliance for defensive purposes against aggressive action on the part of Japan, but judging from various instances of assistance afforded by China to Russia during the Russo-Japanese War, which broke out while the treaty was in force, there is no doubt that it was in fact a treaty of alliance aimed against Japan for aggressive and defensive purposes alike (Note).

6

The secret treaty of alliance concluded in 1896 between China and Russia

Note:

TREATY OF ALLIANCE BETWEEN CHINA AND RUSSIA,
MAY, 1896

Article I.—Every aggression directed by Japan, whether against Russian territory in Eastern Asia, or against the territory of China or that of Korea, shall be regarded as necessarily bringing about the immediate application of the present treaty.

In this case the two High Contracting Parties engage to support each other reciprocally by all the land and sea forces of which they can dispose at that moment, and to assist each other as much as possible for the victualling of their respective forces.

Article II.—As soon as the two High Contracting Parties shall be engaged in common action no treaty of peace with the adverse party can be concluded by one of them without the assent of the other.

Article III.—During the military operations all the ports of China shall, in case of necessity, be open to Russian warships, which shall find there on the part of the Chinese authorities all the assistance of which they may stand in need.

Article IV.—In order to facilitate the access of the Russian land troops to the menaced points, and to ensure their means of subsistence, the Chinese Government consents to the construction of a railway line across the Chinese provinces of the Amour (i.e., Heilung-kiang) and of Guirin (Kirin) in the

7
Encroachments on
Manchuria and
Mongolia by
Czarist Russia

§ 7.—Not only did the above-mentioned secret treaty bring to China no advantage, but it helped Russia to give effect to her schemes for absorbing Manchuria and Mongolia, which she eventually did with a powerful force, taking advantage of the Boxer Disturbances in 1900. Russia subsequently concluded a treaty with China for the withdrawal of her troops from Manchuria, but it was only for a short time that she acted in accordance with the stipulations of the treaty. On the contrary she afterwards stretched her grasping hand further and further over Manchuria and Mongolia. Meanwhile high officials of the Manchu Court, too absorbed in personal rivalries for power, appear to have been little in the mind to pay attention to the Russian inroad, and did nothing to take effective measures for preventing these two regions from being gradually absorbed by the Muscovite Empire. The result was that Russia steadily strengthened her position in Manchuria and Mongolia, until she began to cast her covetous eye even on Korea, and compelled Japan to make a supreme effort to check the Russian advance at the risk of her very existence.

8
The Russo-Japan-
ese War

§ 8.—It was indeed a very risky and daring undertaking for a small nation like Japan to wage war against one of the strongest world Powers, but fortunately the Japanese army was able to defeat the army of Czarist Russia and to restore Manchuria and Mongolia to the sovereignty of China. Had Japan been defeated in this war, we might scarcely have continued to exist as an independent nation. As few people of the outside world at the time expected that Japan would

direction of Vladivostok. The junction of this railway with the Russian railway shall not serve as a pretext for any encroachment on Chinese territory nor for any infringement of the rights of sovereignty of His Majesty the Emperor of China. The construction and exploitation of this railway shall be accorded to the Russo-Chinese Bank, and the clauses of the Contract which shall be concluded for this purpose shall be duly discussed between the Chinese Minister in St. Petersburg and the Russo-Chinese Bank.

Article V.—It is understood that in time of war, as indicated in Article I, Russia shall have the free use of the railway mentioned in Article IV, for the transport and provisioning of her troops. In time of peace Russia shall have the same right for the transit of her troops and stores, with stoppages, which shall not be justified by any other motive than the needs of the transport service.

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emerge victorious out of the gigantic struggle, the Japanese themselves had no firm belief that they would be able to humble their enemy in the way they did. It was simply because they found themselves with their backs to the wall in a desperate struggle and they risked all, confronted with the question of life or death.

§ 9.—After her failure in the war, Czarist Russia took no active action in Manchuria and Mongolia except by encroaching on Outer Mongolia, taking advantage of the Chinese Revolution of 1911. Soviet Russia, too, has shown no signs of advancing on Manchuria and Mongolia, except for re-establishing her influence in Outer Mongolia, which China had recovered from Russian hands in the course of the Russian Revolution. Nevertheless, as long as the disunion and disorder in China continue, menaces from without will continue, and no matter whether the menace is conquest by force or the spread of subversive thought, the safety of Japan will inevitably be threatened. This is the reason why Japan is so deeply interested in any change in the situation of Manchuria and Mongolia.

9
 Situation after
 the Russo-Japan-
 ese War

III. *Japan Possesses no Territorial Ambitions in Manchuria and Mongolia*

§ 10.—There are some, it is understood, who interpret this deep concern of Japan in Manchuria and Mongolia as evidence of her ulterior territorial designs on the two regions. Such suspicions are far wide of the mark. If Japan had any such designs there have been not a few opportunities in the past which she could have utilized in order to accomplish them. For example, during the Russo-Japanese War, China, who was an ally of Russia by virtue of the secret treaty of 1896, was to all intents and purposes an enemy of Japan. Accordingly, had Japan entertained any intention of absorbing Manchuria and Mongolia, she could well have demanded from China the cession of South Manchuria. Not only, however, did she refrain from making any such demand on China, but she took back from Russia Manchuria and Mongolia, which had practically been under the rule of that Power, and restored the two regions to China, confining her gains to the mere

10
 Past occasions
 affording oppor-
 tunity to Japan
 for territorial en-
 croachment

acquisition of the right of working one part of the southern section of the Chinese Eastern Railway, namely, the section running southward from Kuanchengtze to Dairen and Port Arthur, together with certain ancillary rights, and the succession to the Russian lease of the Liaotung Peninsula. This moderation on the part of Japan must certainly have surprised the Chinese politicians of that day.

11
What Japan seeks
to secure in Man-
churia and Mon-
golia

§ 11.—What Japan seeks to secure in Manchuria and Mongolia is not territory, but—(1) the maintenance of peace and order and (2) freedom for the Japanese to pursue economic activities in the two regions. As long as these two conditions are assured us without hindrance, we do not deem it necessary to take the two regions from China. This policy is plainly expressed in the Sino-Japanese Treaty relating to Manchuria and the Additional Agreement which were signed in December, 1905 (Note).

Note:

SINO-JAPANESE TREATY RELATING TO MANCHURIA,
SIGNED DECEMBER 22, 1905

Article I.—The Imperial Chinese Government consent to all the transfers and assignments made by Russia to Japan by Articles V and VI of the Treaty of Peace above mentioned.

Article II.—The Imperial Japanese Government engage that in regard to the leased territory as well as in the matter of railway construction and exploitation, they will, so far as circumstances permit, conform to the original agreements concluded between China and Russia. In case any question arises in the future on these subjects, the Japanese Government will decide it in consultation with the Chinese Government.

.....
ADDITIONAL AGREEMENT RELATING TO MANCHURIA,
SIGNED DECEMBER 22, 1905

Article I.—The Imperial Chinese Government agree that as soon as possible after the evacuation of Manchuria by the Japanese and Russian forces, the following cities and towns in Manchuria will be opened by China herself as places of international residence and trade:

In the Province of Shengking:

Fenghwangcheng; Liaoyang; Hsinmintun; Tiehling; Tungkiangtzu and Fakumen.

In the Province of Kirin:

Changchun (Kuanchengtzu); Kirin; Harbin; Ninguta; Hunchun and

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Sanhsing.
In the Province of Heilungkiang:
Tsitsihar; Hailar; Aihun and Manchuli.
.....

Article VI.—The Imperial Chinese Government agree that Japan has the right to maintain and work the military railway line constructed between Antung and Mukden and to improve the said line so as to make it fit for the conveyance of commercial and industrial goods of all nations. The term for which such right is conceded is fifteen years from the date of the completion of the improvements above provided for. The work of such improvements is to be completed within two years, exclusive of a period of twelve months during which it will have to be delayed owing to the necessity of using the existing line for the withdrawal of troops. The term of the concession above mentioned is therefore to expire in the 49th year of Kuang Hsü. At the expiration of that term, the said railway shall be sold to China at a price to be determined by appraisement of all its properties by a foreign expert who will be selected by both parties. The conveyance by the railway of the troops and munitions of war of the Chinese Government prior to such sale shall be dealt with in accordance with the regulations of the Eastern Chinese Railway. Regarding the manner in which the improvements of the railway are to be effected, it is agreed that the person undertaking the work on behalf of Japan shall consult with the Commissioner dispatched for the purpose by China. The Chinese Government will also appoint a Commissioner to look after the business relating to the railway as is provided in the Agreement relating to the Eastern Chinese Railway, it is further agreed that detailed regulations shall be concluded regarding the tariffs for the carriage by the railway of the public and private goods of China.

Article VII.—The Governments of Japan and China, with a view to promote and facilitate intercourse and traffic, will conclude, as soon as possible, a separate convention for the regulation of connecting services between the railway lines in South Manchuria and all the other railway lines in China.

Article VIII.—The Imperial Chinese Government engage that all materials required for the railways in South Manchuria shall be exempt from all duties, taxes and likin.

Article IX.—The methods of laying out the Japanese Settlement at Yingkou in the Province of Shengking, which has already been opened to trade, and at Antung and Mukden in the same Province, which are still unopen although stipulated to be opened, shall be separately arranged and determined by officials of Japan and China.

Article X.—The Imperial Chinese Government agree that a joint-stock company of forestry composed of Japanese and Chinese capitalists shall be organized for the exploitation of the forests in the regions on the right bank of the River Yalu and that a detailed agreement shall be concluded in which the area and term of the concession as well as the organization of the company and all regulations concerning the joint work of exploitation shall be provided for. The Japanese and Chinese shareholders shall share equally in the profits of the undertaking.

Article XI.—The Governments of Japan and China engage that in all that relates to frontier trade between Manchuria and Corea most favoured nation treatment shall be reciprocally extended.

As will be seen from its provisions, the treaty only entitles Japan to the acquisition of the right to maintain and operate what is now the South Manchuria Railway, the right of lease over the Liaotung Peninsula, the minimum of ancillary rights necessary for the enjoyment of these rights and a few conditions necessary for the development of Manchuria, there being no provision included which would affect the territorial sovereignty of China.

12
Straightforward
attitude of Japan

§ 12.—Furthermore, in regard to the matters provided for by the treaty, Japan had no intention of exercising these rights of hers in the way in which Russia had been accustomed to act prior to the Russo-Japanese War, but endeavoured to induce China to share them as far as possible. As a matter of fact, when the South Manchuria Railway Company was established in August, 1907, Japan prescribed by an Imperial Ordinance promulgated in that month that the shares of the company might be possessed both by the Japanese and Chinese Governments, as well as by Japanese and Chinese private individuals, and, setting aside a certain period prior to inviting subscription for the shares, she invited China to subscribe for them. China, however, failed to show herself willing to become a shareholder, and in consequence the railway company was established as a purely Japanese concern, with the Japanese Government and Japanese private individuals as shareholders. Furthermore, even after that on certain occasions Japan invited China to acquire shares of the company. For instance, in 1928 the president of the company three times invited General Chang Such-liang to become a shareholder, offering him certain facilities for the purpose, only to be met with a curt refusal on each occasion. This will serve to show how straightforward Japan's attitude has consistently been.

13
The problem of
maintenance of
peace and order
in Manchuria and
Mongolia

§ 13.—What Japan was most concerned about was the maintenance of peace and order in Manchuria and Mongolia. Were these two regions in a disturbed condition, Japan would find it difficult to exercise and enjoy the rights and interests recurred by the above-mentioned treaty. It was on account of this apprehension, that on the occasion of the con-

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clusion of the treaty of 1905, Japan paid special attention to this matter, and in succeeding to the Russian right to maintain troops in the railway zone made it a special stipulation in the Sino-Japanese Treaty that they would be withdrawn only "when tranquility should have been re-established in Manchuria and China should have become herself capable of affording full protection to the lives and property of foreign residents" (Note). In this way Japan made clear the object of guarding the railway herself until China could establish her ability to protect the lives and property of foreigners. At the same time Japan arrived at an agreement with China concerning the maintenance of peace and order, by which China agreed to undertake the work of maintaining quiet as well as of assuring the security of life and occupations of natives and foreigners alike after the withdrawal of the Japanese and Russian troops (*vide* Chapter XVII, Part II of "The Present Condition of China"). Even after that, events occasionally took place which might have justified Japan in annexing Manchuria and Mongolia, but Japan never took any such step. On the contrary she has repeatedly pledged herself to the Powers for the maintenance of the *status quo* and the integrity of the sovereignty and territory of China. In spite of all this, China has frequently charged Japan with harbouring territorial designs on Manchuria and Mongolia, and, with her innate skill in propagandist activities, has attempted to prejudice the opinion of the world against Japan. To our regret, we cannot avoid an impression that there appear to be some who blindly believe these unfounded and factitious Chinese allegations.

Note:

The first part of Article II of the Additional Agreement relating to Manchuria, which was signed in 1905, provides:

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

In 1920, taking advantage of the unsettled state of things prevailing in Russia after the revolution, China by means of armed force practically recovered the right of guarding the Chinese Eastern Railway by her own troops.

and subsequently in 1924 the U.S.S.R confirmed by Article IX of the Soviet-Chinese Agreement the state of affairs thus created. In consequence, there are some who hold that the condition on which the withdrawal of our railway guards was to take place under the above-mentioned provision of Article II of the Sino-Japanese Agreement has been fulfilled. This argument, however, cannot be maintained.

For it must be remembered that the stationing of guards along the Chinese Eastern Railway and the South Manchuria Railway originated in an agreement arrived at between Japan and Russia concerning the evacuation of the Japanese and Russian troops and the protection of the two railways after that evacuation in accordance with Article III of the Treaty of Peace between Japan and Russia and Additional Article I to the same treaty. The third paragraph of the Additional Article I just referred to reads:

"The High Contracting Parties reserve to themselves the right to maintain guards to protect their respective railway lines in Manchuria. The number of such guards shall not exceed fifteen per kilometre and within that maximum number, the Commanders of the Japanese and Russian Armies shall, by common accord, fix the number of such guards to be employed, as small as possible having in view the actual requirements."

The above-mentioned Article II of the Sino-Japanese Agreement indirectly recognizes the Russo-Japanese Agreement referred to, particularly that part of the agreement concerning the maintaining of guards, and prescribes the method of the withdrawal of these guards upon the obvious premise that China has given such recognition. Accordingly in interpreting the article, it is necessary to inquire for what purpose the guards in question are stationed. This is made quite clear by the wording in the above-mentioned Russo-Japanese Treaty that "The High Contracting Parties reserve to themselves the right to maintain guards to protect their respective railway lines in Manchuria....."

Next, there are others who argue that because the Russo-Japanese Treaty provides the maximum number of the guards and binds the two countries to minimize their number as far as possible within that limit, it is a stipulation aimed to secure the equilibration of the strength of the Japanese and Russian garrisons and therefore that after Russia withdrew her troops, Japan has no right to keep hers. But this is another proof that the purpose of stationing railway guards is nothing more nor less than the protection of the railways. It is stipulated in the Agreement that the number of the guards shall be less than fifteen for every kilometre. Now while the Russian railway to be protected is 1,790 kilometres in length, the total length of the Japanese railways, including the trunk line between Changchun and the boundary of the leased territory of Kwantung and the Antung-Mukden Line, is only about 891.2 kilometres. Accordingly the number of Japanese guards should be about half that of the Russian guards. This shows that in concluding the treaty Japan and Russia had no idea of equilibration of the strength of their garrisons, the provision in the treaty for the restriction of forces being a stipulation simply prescribing the maximum of the number of guards needed for the protection of the railways. Although it is declared in the above-quoted provision of Article II of the Sino-Japanese Agreement that "..... the Imperial Japanese Government, in the event of Russia agreeing to the withdrawal of her railway guards, or in case that other proper measures are agreed

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to between China and Russia, consent to take similar steps accordingly," yet it is ignoring the primary duty of guards to contend that without heeding the object of guarding her railways, Japan agreed to consider the fact of the withdrawal of the Russian guards, as a sufficient reason for similarly withdrawing her troops, or in other words with the idea of keeping equilibrium with Russia. At the time Japan signed the agreement, it was natural enough for her to presuppose that it would be only when peace and order in Manchuria should be well maintained, leaving nothing to warrant anxiety for the protection of the railways, or when under corresponding circumstances suitable measures should be agreed upon between Russia and China, that Russia would agree to withdraw her troops. Accordingly it is only just to interpret the above-quoted provision of the agreement in the same sense as expressed in the next following provision which runs: "When tranquility shall have been re-established in Manchuria, and China shall have become herself capable of affording full protection to the lives and property of foreigners, Japan will withdraw her railway guards simultaneously with Russia." In short the article is one providing for the withdrawal of the guards by Japan and Russia when peace and order in Manchuria as a whole is well established.

Now, looking at the actual conditions obtaining in Manchuria, it is found that in the matter of the maintenance of peace and order there is observable no improvement whatever since the time of the conclusion of the above-mentioned agreement. If there had not occurred such great changes in the internal conditions of Russia, it is difficult to imagine that Russia would have agreed to withdraw her guards from the Chinese Eastern Railway as the U.S.S.R. did by virtue of Article IX of the Soviet-Chinese Agreement. On the part of Japan, however, as long as peace and order is not satisfactorily maintained in Manchuria, she need not consider that the condition for the withdrawal of her guards stated in the above-mentioned Article II of the Sino-Japanese Agreement has been fulfilled.

It is entirely due to the inability of China herself to protect the lives and property of foreigners that foreign Powers have to station troops in, or despatch them to, that country. On the occasion of the adopting at the Washington Conference of 1922 of the "Resolution regarding Armed Forces in China" (Resolution No. VII), the assurance by China of the protection of the lives and property of foreigners resident in that country was clearly made a condition precedent to their withdrawal. Accordingly, considering the problem from the practical point of view, while peace and order in Manchuria is not maintained as just observed, it is an impracticable and empty argument to insist on the withdrawal of the Japanese guards, entirely ignoring the question of the safety of the lives of hundreds of thousands of Japanese living along the South Manchuria Railway as well as of the hundreds of millions of yen invested in that region.

Further, with regard to the Antung-Mukden Railway, there is no special provision concerning its guards. But Article VIII of the Russo-Chinese Convention for the Lease of the Liaotung Peninsula says: "The Chinese Government agrees that the concessions granted by it in 1896 to the Chinese Eastern Railway Company, from the date of the signature of the present agreement shall be extended to the connecting branch which is to be built from one of the stations of the main line to Ta-lien-wan, and also if deemed necessary from the same main line to another more convenient point on the littoral of the

14
China's reason for
suspecting Japan
of territorial de-
signs

§ 14.—It cannot be denied, however, that there are a number of reasons which contributed to make China suspicious of Japan as harbouring territorial designs on Manchuria and Mongolia. For example, there are some chauvinists among the Japanese who speak or act in such a way as to evoke that suspicion in the mind of the Chinese. But there is another far more important cause than this which is to be noted. This is the tendency common among the Chinese to consider a powerful neighbour as a possible conqueror. It has been produced by the experience which China has repeatedly undergone in the past of conquest by powerful races from adjacent countries. We shall not review here the history of the conquest of China by aliens, but it was in this light that China once viewed Great Britain, France and Russia. Japan, however, used to be regarded by her in a more favourable light. Strange as it may seem, China's friendly feeling towards Japan became stronger each time that the two countries were at war. For instance, after the Sino-Japanese War, except for some time when Li Hung-chang's pro-Russian policy was in the ascendant, the friendship between the two countries increased rapidly in intimacy and again, after Japan had fought with Chinese armies at the time of the Boxer Disturbances on the side of the foreign Powers, China's pro-Japanese attitude improved still further. It was the Russo-Japanese War that suddenly

Liaotung Peninsula between the town of Intzü and the estuary of the River Yalu." The Antung-Mukden Railway corresponds to the "connecting branch from the main line to another more convenient point on the littoral of the Liaotung Peninsula between the town of Intzü and the estuary of the River Yalu" mentioned in the above-quoted article, and is a line, the right of building which Russia had already secured from China. This branch line was one to be treated in exactly the same way as the trunk line of the Chinese Eastern Railway in regard to the administration of its zone and all other matters. By virtue of Article VI of the Treaty of Peace between Japan and Russia, all these rights possessed by Russia were transferred to Japan and the Chinese Government agreed by Article I of the Sino-Japanese Treaty of 1905 to their transfer. Accordingly it must be said that the Antung-Mukden Railway is in the same position as the trunk line of the South Manchuria Railway. In fact Article II of the above-mentioned Additional Agreement to the Sino-Japanese Treaty concerning Manchuria refers only to railway guards in Manchuria and no distinction between the two lines is provided for with regard to its application. And from the practical point of view there is no reason why the two lines should be differently treated in the matter of protection.

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put an end to this tendency. As a result of that war, as already stated, thanks to the victory of Japan, the sovereign power over Manchuria and Mongolia was restored to China. Japan therefore deserved nothing but gratitude from China, and there was no reason why she should be suspected of any sinister design. Nevertheless, when China found that after the war Japan had attained at one bound the rank of a first-class world Power, she transferred the fear she once had entertained of Russian aggression to Japan and began to regard Japan's conduct towards her for the most part with suspicion. In other words, because Japan had become a powerful neighbour of China, she lost her friendship. But we believe that all dispassionate observers will see from the above-mentioned facts that Japan has never had any ambition to expand her territory at the expense of China.

Chapter II

Bearings of the Confused State of Political Thought and Ideas in the Far East on the State Foundations of Japan

I. *General Observation*

15
Stability of po-
litical ideas and
social organization
and the safety
of a State

§ 15.—In dealing with the relation of Manchuria and Mongolia to the safety of Japan, there is another matter which must be explained at some length. This consists in the special circumstances resulting from the confused state of political thought and ideas in the Far East. It goes without saying that the safety of a State is imperilled not only by the invasion of its territory by a strong armed force, but also by any disturbance of the stability of its political ideas, social organization and the like. Now, of recent years, Japan has been forced into a very difficult position, created by the fact of her being in close proximity to two countries from which she entirely differs in regard to political ideas and forms of social organization. Needless to say, the two countries in question are Soviet Russia, which stands on the principle of communism, and the Republic of China which exhibits a strong leaning towards that principle.

16
China and Com-
munism

§ 16.—How China came under communist influence in the past and how she is at present in danger of becoming communistic has been described in the "Communism in China." In fact the disunion and disorder of China and her specific political condition, social organization and economic system furnish very appropriate conditions for the activities of communists. In addition, the recent disastrous flood along the Yangtze and the famine in Shantung and Honan, coupled with a comparatively high birth rate in these regions, have steadily been augmenting the number of people who are in distressed circumstances, thus offering a fertile field to radical proletariat movements to win

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converts. In addition, in China those elements representative of the intellectual class, who act generally as pioneers in communistic movements, happen to be students, who, even before communistic movements began to appear in China, had been playing a very important rôle in political and social movements with the support of the mob (*vide* Chapter V, Part I of "The Present Condition of China").

From about the year 1920, when the Third International began to take up active work in China, the student class was adroitly dragged into the communistic movement and played a leading part in spreading it no matter whether the individual students involved acted consciously of the fact or not. In consequence, "Young China" showed a very strong leaning towards the left for some time. Due to this state of things, which was aggravated by the leftward inclination of the Kuomintang Party as well as by the unscrupulousness of military leaders and politicians who made use of the leftward movement to further their own interests, the greater part of China became communistic. In fact it seemed for a time that the ambition of the Third International to bring about a world revolution was first to be successfully realized in China (*vide* Chapter IV, Part I of "The Present Condition of China"). To-day it looks as if the danger of China becoming communistic has somewhat abated. As long, however, as conditions favourable to communist movements exist, in the same way as before, none can say that a time will not come for communists to renew their activities in China. Even to-day remote districts in the Provinces of Kiangsi, Hunan and Kwangtung are under the rule of communist armies, which the Government troops are unable to suppress. Not only that but the communists continue to spread through underground channels in Central and South China, notably in various urban districts, their activities frequently coming to the surface in the form of rioting and similar acts of violence in the event of wartime disturbances or natural calamities.

§ 17.—The *régime* obtaining in Soviet Russia, having, as it does, a special characteristics and form of its own, cannot but cause a certain anxiety to the Japanese people, for fear that its influence might spread to their own country and endanger the very foundations of their national polity. Japan possesses her own original culture and political ideas.

17.
Relations of political and social organization of Soviet Russia to Japan

Ours is a spiritual culture, while the guiding political principle is that the State is a great family composed of the Japanese nation with the Imperial House as its centre, the people being spiritually united under the leadership of their Emperor, the head of the family. This culture and political principle derive from a tradition extending over centuries, and are deeply impressed upon the minds of the Japanese people. Accordingly, though the material culture of the West has made its way into our country, it is unthinkable that the age-long culture and political ideas of the Japanese should soon be replaced by others introduced from the West. Nevertheless, a certain number of Japanese have recently become adherents of communism and have occasionally attempted to cause social unrest by unlawful means. In consequence, the Japanese people cannot relax their vigilance against the nefarious activities of these black sheep. Most of the latter are those who took part in the attempt of creating the so-called universal communist state under the direction of the Third International. Accordingly when Japan established diplomatic relation with the U.S.S.R. in 1925, she concluded the so-called Basic Convention, in which was included an article directed to the prevention of communist propaganda, and the two Governments pledged themselves not to take any action likely to endanger each other's order and safety (Note). In consequence, the Government of Soviet Russia stand in a position in which they are compelled to observe this international obligation; but the activity in regard to Japanese communists of the Third International, which is asserted to be a different body from the Soviet Government, still continues to-day. Under the circumstances, though Japan, through concluding the treaty, has escaped being made a theatre of propaganda by the Government of Soviet Russia, yet she remains in a position in which she cannot prevent propaganda by the Third International.

Note:

THE CONVENTION EMBODYING BASIC RULES OF THE
RELATIONS BETWEEN JAPAN AND THE UNION OF
SOVIET SOCIALIST REPUBLIC,
SIGNED AT PEKING, JANUARY 20, 1925

Article 5.—The High Contracting Parties solemnly affirm their desire and intention to live in peace and amity with each other, scrupulously to respect the

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II. Manchuria and Mongolia and Japanese Communists

§ 18.—As above stated, Japan is in a position in which she has to confront two conditions which imperil the political stability, which she is anxious to see maintained in the Far East, virtually the only sphere where she can move with freedom. This circumstance prevents her from viewing with equanimity the fact that Manchuria and Mongolia form one of the bases of operation of Japanese communists, even though it is a base established within the territory of another country. The Japanese inhabitants of the two regions exceed one million in number. Among them there are not a few Japanese and Koreans who are engaged, in remote places beyond the control of the Japanese authorities, in the concoction of nefarious anti-Japanese plots. This is a matter of grave concern to Japan. To leave their control in the hands of the Chinese authorities is anything but satisfactory, consequently the duty of controlling Japanese conspirators in China falls on the shoulders of the Japanese authorities.

Now, besides repeatedly committing numerous crimes such as intimidation and violence at the expense of law-abiding Japanese residents, the Japanese communists in Manchuria, who are mostly of Korean origin, are plotting to undermine the existing political institution of Japan by working in concert with their partizans in Japan Proper and Korea. It goes without saying that these dangerous elements must be placed under thorough and strict restraint.

§ 19.—It was after the Russian Revolution that communistic movements were taken up by Koreans. Prior to this, many of those Koreans

undoubted right of a State to order its own life within its own jurisdiction in its own way, to refrain and restrain all persons in any governmental service for them, and all organisations in receipt of any financial assistance from them, from any act overt or covert liable in any way whatever to endanger the order and security in any part of the territories of Japan or the Union of Soviet Socialist Republics.

It is further agreed that neither Contracting Party shall permit the presence in the territories under its jurisdiction—(a) of organisations or groups pretending to be the Government for any part of the territories of the other Party, or (b) of alien subjects or citizens who may be found to be actually carrying on political activities for such organisations or groups.

18
Communist movement in Manchuria and Mongolia

19
Koreans in Manchuria and Mongolia and the communistic movement

who were desirous of overthrowing the Japanese administration in Korea had been concocting various plots in South and North Manchuria. Upon seeing the success of the Russian Revolution and influenced by the secret activities of the Third International, a great many of them espoused communism, so that many communistic organizations such as the "South Manchuria Young Men's Federation", the "North Manchuria Young Men's Federation", and the "North Manchuria Federation of Young Workers" sprang up one after another. At first there was no connection between these organizations, but in 1928 they amalgamated and formed a body called the "Federation of Korean Young Men in China". Prior to this, the Kaoli Communist Party, which has its headquarters at Vladivostock, established the "General Bureau of the Kaoli Communist Young Men's Association" in the Province of Kirin in order to propagate communism, mainly among Korean immigrants, making the overthrow of the Japanese administration in Korea one of its principal aims. Besides these bodies, the Korean Communist Party, which came into being in 1925, began communist movements in Manchuria the following year by organizing the "General Bureau of the Korean Communist Party in Manchuria" and establishing three district bureaus, one each for South Manchuria, North Manchuria and Eastern Manchuria. This party became the most powerful, dominating all the others. Especially did the District Bureau of the Party for Eastern Manchuria gradually gain in strength; and after 1928, simultaneously with the establishment of the above-mentioned Federation of Korean Young Men in China, the communistic movements of Koreans in Manchuria began to show a marked activity.

The Japanese authorities in Manchuria put forth efforts with some measure of success, to suppress these movements by arresting their leaders on several occasions, but there still remained many at large who continued their activities, manipulating such organizations as the local Communist Young Men's Associations and the Peasants' Association. An opportunity came to them for extending their influence when, in 1929, the dispute between China and Soviet Russia concerning the Chinese Eastern Railway was temporarily settled by the conclusion of the Habarovsk Agreement and in consequence the Third International was given a free hand to resume its activities in North Manchuria. Thanks to the direction and assistance given by it.

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the Korean communists in this region suddenly showed renewed activity, and combining their remaining forces formed a unified revolutionary *bloc*. In 1930 this body joined the Communist Party of China and formally became a branch of the Third International. Since then, under the direction of the Third International and the Communist Party of China, they gradually gained influence among the Korean immigrants in South and North Manchuria, proclaiming the downfall of Japanese imperialism and the emancipation of Korea as their aim and motto, and also resorting to the practice of "red terrorism" in order to gain adherents. In particular, they took advantage of the recent economic depression to win over to their side many of their fellow-countrymen who were severely affected by it. In this way they steadily grew in strength until they comprised about 500 local members, about 700 in the Communist Young Men's Association and 3,000 in the Peasants' Association which is of communistic inclination. Finally on May 30, 1930, they started a riot in Chientao and continued their agitation incessantly for several months. The Japanese authorities in Manchuria in co-operation with the local Chinese authorities took measures to suppress them, with the result that their movement in Chientao was finally placed under control. Their agitation, however, is still continued in secret and there is little doubt that if opportunity presents itself they will seize it and come again to the front.

§ 20.—Besides the Korean adherents of communism, there are groups of Koreans in Manchuria who are bent on the overthrow of the Japanese *régime* in Korea. They are adherents of the so-called "Korean Nationalism." Their organizations are formed in the principal cities of China Proper and in many places in Manchuria and Mongolia inhabited by Korean immigrants. As many as 79 organizations are known to be in existence, the most powerful and active being found in the Provinces of Fengtien and Kirin, where such bodies as the "National Government" and the "General Federation of the Korean Race" exist to the number of 58. These organizations are not powerful enough to be formidable, because besides lacking a central organ to unite and direct them, they have been frequently taught severe lessons by the Japanese authorities. Nevertheless they often extort money from law-

20
 Korean racial
 movement

abiding Korean farmers under the pretext of using it for patriotic purposes, and persecute them in other ways by acts of violence. Furthermore, on not a few occasions some of them attempted to create disturbances, acting sometimes in concert with communists, sometimes independently, and when they were strong enough they have even crossed the frontier to work havoc in the border districts of Korea.

The above-mentioned communists and adherents of the "Korean Nationalism" resemble each other in constituting a menace to the safety of Japan, the one scheming to undermine our state foundations, and the other to overthrow our rule in Korea. The latter, however, need not at present be taken too seriously, because they have no powerful support behind them, though they were sometimes assisted by Chinese in the past. As for the communists, it is a different matter altogether. As already stated, they are under the direction of the Communist Party of China as one of its component parts, and are at the same time under the leadership of the Third International, since the Chinese Communist Party is one of its branches, and by maintaining close connections with their friends both in China and Japan they are maturing a sinister design against the state foundations of Japan. Accordingly, it is necessary for Japan to take effective measures to check their activities, because such measure will at the same time serve as a restraint upon their friends in Japan Proper and cannot but furnish a means of safeguarding the security of our country.

21
Chinese method of
dealing with
Korean commun-
ists

§ 21.—Despite this situation, the Chinese authorities have hitherto shown little enthusiasm for putting the Korean communists under proper control. On the contrary, instances have not been rare in which they have afforded facilities for their movements by allowing them to carry on anti-Japanese propaganda or to intimidate law-abiding Korean immigrants and compel them to withdraw from Manchuria. Even granting that the Chinese authorities had no evil intention, they have proved themselves to be incapable to take any positive measures for preventing the seditious acts of Korean communists in view of the special position Koreans occupy in China by virtue of treaties. In many instances they simply ignore their activities and failed to give proper assistance to the Japanese authorities in regard to their control. On the

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other hand, the Japanese authorities are unable to exercise full control over them, as it is within the territory of a country not their own that they are operating against Japan, and that, moreover, in remote places. This is the chief reason why Korean communists and those who opposed to the Japanese administration of their native country have stolen into the interior of Manchuria and Mongolia. As it is, the two regions have become in a certain sense the base of recalcitrant Koreans plotting against the safety of Japan, so that the bearing the two regions have on the security of our national existence has to be carefully considered from this point of view as well.

III. *Peace in the Far East as Affected by Communist Movement*

§ 22.—We have now to consider communist movements in a general way from the view-point of the peace of the whole of the Far East. The opposition of capitalism to communism is a great world problem of the present day, and the activities of the Third International in the Far East is, in our opinion, a question of extreme importance not only to both Japan and China but also to such European nations as Great Britain and France, which possess extensive dependencies and wide spheres of influence in this part of the world. It need not be reiterated here that the motive power of the communist movements in the Far East is the Third International and that the object of the Third International is the unification of the world under the banner of communism. Originally Europe was the scene of the most intense communistic activity, it having been the purpose of Russian communists to lay a firm foundation for their communistic State first by converting European countries to their principle and then by proceeding to the communist conquest of the rest of the world. Soon after the success of their revolutionary movement in 1917, the Third International, therefore, put forth their best efforts to win over European countries to their side. Not only, however, did they fail to accomplish their object, but they had to experience at home the hardships attending the great famine of 1919-20 and also to witness the unsatisfactory working of communistic theories during war-time, which served to weaken and impoverish home indus-

22
 Peace in the Far
 East as affected
 by communist
 movement

tries and to call forth anti-Soviet agitation. Furthermore, they were hard pressed by the economic blockade instituted by the Powers. In these circumstances, they were obliged to slacken their movements in Europe and to turn their attention to Asiatic countries. Persia, Afghanistan and India were the countries which they chose first to "bolshevize", and about the time when the Allies began to withdraw the troops despatched to Siberia in the latter period of the Great War, they started various energetic communistic movements in the Far East, particularly in China.

23
Bolshevization of
Central and South
China by the Third
International

§ 23.—Their operations in China were apparently successful; it is a well known fact that in 1926 and the following year the whole of Central and South China came under their influence, and at one time fear was felt that the whole of China would turn communist. After the failure of the communist riots at Canton, in December 1927, however, the Third International found the further progress of its movements checked. Nevertheless, communism had been so strongly entrenched in China, that even to-day political organizations on communist lines are in power in the border districts of the Provinces of Kiangsi, Hunan and Kwangtung. They are so strong that even at the time when Chiang Kai-shek was at the height of his power, they worsted punitive expeditions sent by him against them. At present, as compared with the end of 1927, the Chinese communists are on the whole in a somewhat stronger position. In these circumstances, there are reasons to believe that complications with foreign powers, civil war or other abnormal occurrences will accelerate the "bolshevization" of the whole of China, as is briefly explained in the "Communism in China".

24
Bolshevization of
Manchuria and
Mongolia as af-
fecting Japan

§ 24.—Japan is exercising very strict control over communist movements at home, but in view of the international connections adroitly maintained by those who take part in them and on account of other circumstances, she cannot regard with equanimity the "bolshevization" of China, because her policy against communism must necessarily be shaped in accordance with the situation existing in that country. Above all, in view of her geographical position, Japan is most deeply concerned with

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the not impossible "bolshevization" of Manchuria and Mongolia. Were the two regions to turn communistic, it would immediately disturb the peace and order of Korea, which in its turn would affect the peace and order of Japan Proper. So far as the question of "bolshevization" is concerned, therefore, the purgation of the two regions from communistic elements is the key to the preservation of peace and order in Japan. Accordingly, the way in which China deals with the question of the "bolshevization" of the two regions greatly affects the safety of Japan, so that the latter cannot remain indifferent to it. As the two regions are not Japanese territory, Japan can not of course interfere with communist activities in them, unless participated in by Japanese subjects. But she cannot remain silent if the Chinese control is inadequate or if the Chinese authorities openly approve the "bolshevization" of their country, as they did while Sun Yat-sen was in power. In such a case, should Japan make certain recommendations to China through legitimate means, or should she in case of necessity take measures of self-defence within proper limits from the stand-point of defending her own security, it would not necessarily be contrary to justice. Fortunately up to the present the activities of the Third International and the Chinese Communist Party in the two regions have not borne much fruit. This is accounted partly for the strong, though invisible, pressure exercised by Japan in the two regions, which has induced the communist agitators to deem it advisable to turn their attention to other parts of China which would offer less resistance. Did no such pressure exist, it is possible that Manchuria and Mongolia would have shared the fate of Outer Mongolia (*vide* "Communism in China").

PART II

JAPAN'S RIGHTS AND INTERESTS IN MANCHURIA AND MONGOLIA

Chapter I

Japanese National Sentiment with Regard to Their Rights and Interests in Manchuria and Mongolia

The second reason why Japan can not regard Manchuria and Mongolia in the same light in which she regards China Proper is that she possesses in these two regions various rights and interests of a special nature, the protection of which is of vital importance to her existence. But it would be very difficult to grasp the real significance of this circumstance without first taking into consideration the series of historical facts which constitute the background of the rights and interests which she now possesses there.

25
Historical back-
ground of Japan's
rights and inter-
ests in Manchuria
and Mongolia

§ 25.—At one time the encroachment of China upon Korea proved to be a grave menace to the existence of Japan and resulted in compelling us to remove this menace by going to war with China in 1894. As a result of this war, China abandoned her idea of absorbing Korea and ceded to Japan the southern part of the Liaotung Peninsula. This was the first time for Japan to get a foothold on the continent of Asia. Not only was the acquisition by Japan of this territory from China a lawful reward of victory, but by occupying it Japan intended to remove once for all the menace that China would be likely again to present to Japan. On the ground, however, that the occupation of the territory by Japan would constitute an immediate menace to Peking, and so endanger the peace of the whole of the Far East, France, Russia and

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Germany prevailed upon her to return it to China. In 1896, China concluded with Russia a secret treaty of alliance aimed at Japan by pledging each other their military co-operation and mutual assistance, and she also ceded to Russia the right of laying a short-cut railway across the two Provinces of Heilungkiang and Kirin to Vladivostok. In 1898 she again gave her Muscovite neighbour lease of the southern part of the Liaotung Peninsula as well as the right of laying a railway connecting Harbin, a station on the above-mentioned line traversing Heilungkiang and Kirin, with Port Arthur and Dairen (Dalny), thus paving the way for the future absorption of Manchuria and Mongolia by Russia. Thereupon Japan found herself confronted with a menace from Russia, which was far more serious than anything she had formerly experienced from China. Subsequently, seizing the opportunity that presented itself in connection with the outbreak of the Boxer Disturbances, Russia began to realize her long-cherished ambition of absorbing Manchuria by occupying various points of strategic importance in that region. Confronted thus with a grave menace threatening her existence, Japan endeavoured through diplomatic negotiations to obtain from Russia pledges which would guarantee her security, but to no purpose. Not only did Russia refuse to accede to Japan's pacific desires, but she went the length of repeating aggressive actions even against Korea, until Japan was forced to rise in arm and fight with Russia at the risk of her national existence. This war, which lasted for eighteen months and was won by Japan at the cost of 100,000 lives and 2,000 million yen, enabled her to expel Russian influence from Manchuria and to regain a foothold on the Asiatic continent by the acquisition of the rights concerning the Liaotung Peninsula and the South Manchuria Railway after she had restored Manchuria to China.

The reason that impelled her to secure the foothold on this part of Asia was twofold. Just as at the close of the Sino-Japanese War, she wanted it in order to ensure her safety, but this time she had additional necessity for desiring it. This was the necessity of obtaining facilities for the importation of raw material for her industries, which had begun to rise in importance after the Sino-Japanese War, and had made remarkable developments during the Russo-Japanese War, as also for the importation of the food stuffs needed for her rapidly growing population.

It is this fact that Japan had twice to offer a tremendous sacrifice in blood and money to win her rights and interests in Manchuria and Mongolia, that makes the Japanese people feel an extraordinary attachment to this hard-won prize; so much so that even a single rail of the South Manchuria Railway or a single lump of coal taken from our mines there recalls to us the precious blood shed by those who fought for them, and that even a slight infringement of our rights reminds us of the two wars waged at the risk of national existence. In this sense our rights and interests in Manchuria and Mongolia are particularly precious to us.

26
Japanese regard
their rights and
interests in Man-
churia and Mon-
golia as different
in nature rather
than in degree
from those in
China Proper

§ 26.—Japan possesses in China Proper rights and interests which are, in their material aspect, similar in nature to those in Manchuria. For instance, through her connections with the Han-Yeh-Ping Kungssu, she possesses certain rights and interests in iron and coal mines as well as in the iron industry in certain districts of the Yangtze Valley, and the right of exploiting the Tatung coal mine in Shanshi Province. She is also a creditor to the central and local governments of China and private Chinese to the amount of about 1,000,000,000 yen. The Japanese, however, do not regard these rights and interests in the same manner as they regard the right of working the Fushun and Yentai coal mines, or the right of working the Anshan iron mine, or their investment in the Kirin-Changchun Railway and certain other railways. In other words, they regard these two groups of rights and interests as of essentially different nature, and do not estimate their value according to the standard of relative commercial importance. They regard their rights and interests in China Proper as purely economic propositions without any historical background, but consider those in Manchuria and Mongolia as precious heritages with an unforgettable history and, moreover, as indispensable to the existence of the Japanese nation. As things are, the sentiment of the Japanese people in regard to their rights and interests in Manchuria and Mongolia is extremely sensitive.

27
Japanese do not
distinguish wheth-

§ 27.—As a matter of fact, our rights and interests in Manchuria and Mongolia are not confined to those obtained as a result of the Russo-

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Japanese War, but include many important ones which were subsequently secured. The national sentiment of the Japanese people, however, refuses to distinguish how they were obtained, but regards those which were obtained after the Russo-Japanese War as extensions of those obtained as a direct result of the war. This idea is the more strengthened by the great contributions made by Japan towards the development of Manchuria and Mongolia after the war, and is so firmly rooted in the mind of the Japanese that they consider it too self-evident to need any justification. What are then the contributions made by Japan towards the development of Manchuria and Mongolia?

er or not the rights and interests were obtained as a result of the Russo-Japanese War

Chapter II

Great Contributions Made by Japan towards the Development of Manchuria and Mongolia

No people can be blind to the great contributions made by Japan towards the development of Manchuria and Mongolia after she had obtained a foothold in these two regions. It is impossible to explain here in detail what were these contributions, but some of the more important may roughly be stated as follows:

I. *Opening of Principal Cities and Towns in Manchuria and Mongolia for Residence and Commercial and Industrial Pursuits of Foreigners*

28
Opening of cities
and towns in Man-
churia and Mon-
golia

§ 28.—It goes without saying that the best means of developing Manchuria and Mongolia is to open the whole of the two regions to residence and commercial and industrial pursuits of foreigners. China, however, has made it her fixed policy since she admitted foreign intercourse not to open her territory to foreigners except certain specified cities. Accordingly, choosing the next best, Japan induced China to open up important cities and towns for the travel, residence and business of foreigners. The first port to be opened to foreign trade in the regions of Manchuria and Mongolia was Newchang, which was opened by virtue of the Treaty of Tientsin concluded between Great Britain and China in 1858. No other ports were opened since then for about forty-five years until 1907 when Mukden and Antung were opened by the Sino-American Treaty and Tatungkow was added to the list of open ports by virtue of the Supplementary Treaty of Commerce and Navigation between Japan and China. These ports, however, were too few in number to open up to the full the rich resources of Manchuria and Mongolia. Accordingly, immediately after the Sino-Japanese War, Japan, consider-

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ing the opening of numerous ports a necessity for the development of these two regions, caused China, by the Sino-Japanese Treaty of 1905 concerning Manchuria, to open up sixteen cities and towns, including Fenghwangcheng, Liaoyang, Tiehling, Changchun, Kirin, Harbin, Tsitsihar and Manchouli. Subsequently, by the Sino-Japanese Agreement of 1909 concerning Chientao, she obtained the opening up of Lungtsingsun and three other towns. Furthermore, by the Treaty of 1915 concerning South Manchuria and Eastern Inner Mongolia, Japan obtained from China the voluntary promise to open up at the earliest opportunity suitable towns in Eastern Inner Mongolia. Rights in these open ports being of course equally enjoyed by nationals of all treaty Powers, little need be said to show how greatly the development of Manchuria and Mongolia is indebted to the Sino-Japanese treaties above referred to.

II. *Opening of the Whole of South Manchuria and Establishment of the Right of Sino-Foreign Joint Agricultural Enterprises in Eastern Inner Mongolia*

By the Sino-Japanese Treaty of 1915 concerning South Manchuria and Eastern Inner Mongolia, China threw open the whole of South Manchuria to the travel, residence and business of foreigners. This is almost the only case in which China has thrown open a considerable portion of her territory to foreigners. Thereby the traditional policy of China of keeping the interior of the country, except open ports, closed to the residence and business of foreigners fell through and a new and epoch-making state of things was created in regard to the development of Manchuria and Mongolia. How China disregarded her pledges in this respect and paved the way for the outbreak of the present conflict with Japan will be dealt with later.

III. *Japanese Railway Undertakings and Japanese Investments in Chinese Railways*

§ 29.—We need not dwell on the powerful influence which the laying of railways exercises on the development of Manchuria and Mongolia. The Chinese have a well-known saying:—"Boats in the South and horses in the North," which means that in South China people travel

29
 A glance at the history of the development of railway communications in Man-

Manchuria and Mongolia

by means of boats while in North China on horseback. Manchuria is one of the regions coming under the category of the so-called "horses in the North". In former times except for a small portion provided with the water course of the River Liao and the Sungari, traffic in this part of the country entirely depended on primitive tracks and, during winter, on whatever means were provided by ice and snow. It was at the beginning of the XXth century that a railway was laid in this region for the first time and this blessing of modern civilization introduced into it. This pioneer line was the extension built with British capital of the railway between Peking and Shanhaikwan. Subsequently the Chinese Eastern Railway was constructed with Russian and French capital. Both of these lines were opened to traffic in 1903.

30
Activities of the
South Manchuria
Railway Company

§ 30.—For a long time to come, no new railway was laid until the Russo-Japanese War brought in its wake a great development of railway traffic in Manchuria and Mongolia. To be precise, having received the transfer of part of the southern section of the Chinese Eastern Railway from Russia in 1905, Japan established the South Manchuria Railway Company, and, having come to the conclusion that the improvement of the means of traffic in Manchuria and Mongolia was the first essential for the industrial development of the two regions, she put forth great efforts for the realization of this aim. To begin with, she hurried on the improvement of both trunk and branch lines of the South Manchuria Railway, with the result that in the perfection of the various equipments of the railway itself as well as in the excellence of various institutions in the railway zone, it stands almost unequalled in the whole of China. To bring about all this, the South Manchuria Railway Company has so far invested about 800,000,000 yen. It carried 20,000,000 tons of goods with a rolling stock consisting of about 460 locomotives and about 8,000 goods vans, while the number of passenger carried reaches 10,000,000. On the other hand, simultaneously with the improvement of various land traffic establishments, the company hastened on the improvement of the harbour of Dairen. Within a few years after it was transferred to its management by Russia, the company succeeded in converting it into one of the largest and best commercial ports in the Far East. To-day, with an invested capital of 78,000,000

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yen, the port deals with import and export trade amounting to 700,000,000 yen in value and 8,000,000 tons in volume a year. Furthermore, Japan has improved the harbours of Yingkow, Antung and Port Arthur, though on a much smaller scale.

§ 31.—Besides having thus gradually improved and developed the trunk line and harbour equipment of the South Manchuria Railway for the development of Manchuria and Mongolia, Japan endeavoured to increase the efficiency of the railway by laying a line between Mukden and Antung, and a few other branch lines. But in view of the fact that these lines, being only 1,100 kilometres in total length, benefit only a small part of the two regions, Japan thought it necessary to enable China to construct her own railways by supplying her with both capital and expert assistance. It was in this way that China was enabled to build the Changchun-Kirin Railway, 128 kilometres long, which was opened to traffic in 1912; the Ssuningkai-Taonan and Chengchiatun-Tungliao Railways, 425 kilometres long; the Taonan-Angangchi Railway, 224 kilometres long; and the Kirin-Tunhua Railway, 210 kilometres long. Besides these lines, Japan extended to China similar assistance in order to enable her to build several light railways with a total length of about 210 kilometres. The total amount of capital invested by Japan in this direction is more than 150,000,000 yen, including arrears of interest. There are also several other projected lines, the construction of which, with the consent of China, should be undertaken by Japan with capital supplied by the latter, but which remains uncompleted chiefly on account of the anti-Japanese agitation (Note).

31
 Japanese investment in Chinese railways

Note:

PROJECTED RAILWAYS NOT YET COMPLETED IN MANCHURIA
 AND MONGOLIA, IN WHICH JAPAN IS INTERESTED

- (1) *Tunhua-Kainci (or Hueining) Line*
 (part of the Kirin-Kainci Railway), 267 kilometres.
 This railway was first projected in connection with the agreement concerning the Kirin-Changchun Railway concluded in 1907. The construction of the Tunhua-Laotoukow Line and the Laotoukow-Tumenchiang Line was contracted for between the South Manchuria Railway Company and the Department of Communications of China on May 15, 1928.

Thanks to the efforts of Japan the railway network of Manchuria and Mongolia was thus gradually expanded and consolidated. On the other hand, the Chinese anti-foreign agitation, which has become remarkably active of recent years, evoked in the minds of Chinese a dislike against their means of communication being completed with the aid of Japanese capital, and created a tendency among them to construct new lines on their own account. As a result, in utter defiance of the stipulations forbidding the construction of competitive lines to the South Manchuria Railway and other treaty provisions, the Chinese successively

(2) *Changchun-Taonan Line*,290 kilometres.

This railway was projected in accordance with a "Memorandum concerning Four Railways in Manchuria and Mongolia" drawn up on September 24, 1918, and an advance was made on the 28th of the same month by the Bank of Chosen, the Bank of Taiwan and the Industrial Bank of Japan to the amount of 20,000,000 yen.

(3) *Changchun-Talai Line*,210 kilometres.

A provisional agreement for the construction of this railway was signed by the South Manchuria Railway and Chang Tso-lin on October 10, 1927. A formal contract was drawn up on May 15, the following year, for its construction.

(4) *Taonan-Solun Line*,116 kilometres.

(Of the total length of 202 kilometres; a section of 86 kilometres in length has been completed).

The building contract was drawn up between the South Manchuria Railway Company and Chang Tso-lin on May 15, 1928.

(5) *Yenchí-Hailin Line*,249 kilometres.

Ditto.

Total length 1132 kilometres.

IN ADDITION.

(6) *Taonan-Jehol Line*,757 kilometres.

This railway was projected in accordance with a "Memorandum concerning Four Railways in Manchuria and Mongolia" drawn up on September 24, 1918, and was pooled to the new International Consortium of Japanese, British, American and French interests on October 15, 1920.

(7) *A line connecting a point on the Taonan-Jehol Line and a sea port.*

Ditto.

Aggregate total length 1889 kilometres.

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built the Tahushan-Tungliao Railway, 252 kilometres long; Mukden-Hailung Railway, 326 kilometres long; Hailung-Kirin Railway, 183 kilometres long; Tsitsihar-Kushan Railway, 130 kilometres long and the railway between Sungpo (on the Sungari, opposite side of Harbin) and Hailun, 221 kilometres long. All these railways came into being as a result of the awakening of the Chinese authorities and people, who had hitherto been rather indifferent to this kind of enterprise. This awakening of the Chinese was called forth by the Japanese activity in the traffic enterprises of Manchuria and Mongolia, and further stimulated by anti-foreign feeling. Looked from this point of view, though some of these railways present grave infringement of Japan's vested rights and interests, it may be said that Japan indirectly stimulated their construction. Japan of course welcomes China laying railways on her own account, for there can be no question that, no matter with what capital they are constructed, they will contribute to the industrial development of Manchuria and Mongolia. What Japan objects to is the unjust and unlawful anti-Japanese movement and the construction of new lines in utter defiance of treaty stipulations.

§ 32.—As can be seen from what is stated above, railway traffic has undergone remarkable development in Manchuria and Mongolia. In fact the development is so phenomenal that, though the two regions were about forty years behind China Proper in the opening of railway traffic within the territory, they are now nearly equal to China Proper in the total milage of railways possessed by them, and far exceed the latter in the ratio of either area or population to the railway milage. This goes a long way to show what great services Japan has rendered in the perfection of means of communication in the two regions (Note).

To what extent then has Japan contributed towards the realization

32
Contribution of
the railways built
with Japanese
capital to the
railway communi-
cations in Man-
churia and Mon-
golia

Note:

Province	per 100 square klm. of area	per 10,000 of population
Fengtien	1.60 kilometres	0.05 kilometres
Kirin	0.61 "	1.44 "
Heilungkiang	0.24 "	2.73 "
Average for the three Provinces	0.82 "	1.50 "
China Proper	0.11 "	0.28 "

of what has been described above? Classifying the railways in Manchuria and Mongolia according to the sources of the invested capital under four heads, viz. railways built with Japanese, with Chinese, with Russian and with British capital respectively, the proportion according to the existing total mileage is 38 per cent for Japanese capital, 30 for Russian, 24 for Chinese and 0.075 for British (Note 1). Thus in respect of the ratio to the total mileage alone, Japan stands first. But when one takes into account the volume of goods carried respectively by the railways of these four kinds, one finds that those built with Japanese capital lead the others by a still wider margin. Take for instance the figures for 1929 and 1930. It will be found that the volume of goods carried by the railways built with Japanese capital is 57 per cent and 56 per cent respectively of the total volume of the goods carried by all the railways in Manchuria and Mongolia during each of the two years, and exceeds the total amount carried by the railways built with Chinese, Russian and British capital (Note 2).

In making this statement, however, we do not mean to assert that

Note 1:

Milage of the railways in the Four North-Eastern Provinces	6,044 kilometres
Railways built with Japanese capital	2,338 kilometres (38 per cent of the total length)
Railways built with Chinese capital	1,465 kilometres (24 per cent of the total length)
Railways built with Russian and Chinese capital	1,790 kilometres (30 per cent of the total length)
Railways built with British capital	451 kilometres (0.075 per cent of the total length)

Note 2:

Comparison of volume of goods carried by the railways classified according to countries investing capital

Country investing capital	1929		1930	
	Volume of goods carried	Ratio to the total Volume	Volume of goods carried	Ratio to the total Volume
Japan	21,783,000 tons	57	18,910,000 tons	56
Great Britain	8,546,000 "	23	8,613,000 "	25
Russia	5,741,000 "	15	4,527,000 "	13
China	2,060,000 "	5	1,971,000 "	6
Total	38,130,000 "	100	34,021,000 "	100

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the railways built with Japanese capital were completed by Japan alone, and that the contribution made by them towards the development of Manchuria and Mongolia is entirely to be carried to the credit of Japan. As a matter of fact, Great Britain and America made loans to the South Manchuria Railway Company, and America also supplied the company with rolling stock and rails in great quantities. It cannot also be denied that in other ways these countries made great contributions, both direct and indirect, towards the development of Manchuria and Mongolia, which is what Japan chiefly desires to see accomplished. The growth of railway traffic being one of the means of realizing this desire, Japan has no objection whatever to foreign capital being invested in the enterprise. On the contrary, Japan most heartily welcomes the advent of capital, no matter from what country, into Manchuria and Mongolia, to be used in the promotion of industries in the two regions and converting them into a land where all can live in peace and prosperity. But foreign investment in enterprises in China has hitherto been comparatively unprofitable in regard to the returns yielded and in other respects. Owing to this fact, in addition to the lack of guarantees, incessant civil war and political unrest, foreign capital has been very shy of coming to China. The market quotation of the hundred-pound paid up bond of the Tientsin-Pukow Railway is now only six pounds or so, while even the comparatively marketable hundred-pound paid up bond of the Peiping-Tientsin Railway is quoted at less than fifty pounds. No wonder then that little foreign capital finds its way into China. In Manchuria and Mongolia too, for the same reason, no noteworthy foreign investment has lately been made. British investments in the Peiping-Mukden Railway and Russian investments in the Chinese Eastern Railway were made because at that time the Powers were vying with each other for the extension of their influence in China. It would be extremely difficult for China now to obtain similar financial help from foreign capitalists.

We believe the foregoing statement explains in outline how, of all the Powers concerned, Japan has made the largest contribution towards the development of Manchuria and Mongolia by means of railways. Services of this description rendered to the two regions have come to inculcate on the minds of the Japanese people a special sentiment regarding the rights and interests possessed therein by Japan.

33
China is the greatest beneficiary of Japanese investment in railways in Manchuria and Mongolia

§ 33.—There is no doubt that Japan's efforts concerning the railway service in Manchuria and Mongolia have been of benefit to herself, but considering the contribution which the industrial development of the two regions has made to the economic welfare of the world at large, it must be admitted that foreign Powers other than Japan have also derived benefit therefrom though in varying degrees. Above all, China has been the recipient of the maximum amount of benefit, whereas the benefit received by Japan is, on account of certain special circumstances, very much smaller than is generally believed. Take for example the case of the Japanese capital, amounting to about 150,000,000 yen, invested in Chinese railways in Manchuria and Mongolia. Not only has China virtually failed to repay any part of the principal and interest, but with her usual lack of sincerity she has ignored our demand for the conversion into loans of the payments due under the contracts for railway construction. In this way, sums due to Japanese, amounting to several tens of millions, remain in a very insecure position. And yet China has been shamelessly pocketing the profit arising from the operation of these railways built with Japanese capital and by the aid of Japanese technical skill. (No profit has so far been derived from the Kirin-Tunhua and Taonan-Angangchi Railways, as these two lines were only recently opened to traffic, but there is no doubt that simultaneously with the opening up of the localities along their course, they will yield a reasonable profit).

34
Business expenses of the South Manchuria Railway Company and benefit to Chinese

§ 34.—Confining ourselves to a review of the business condition prevailing with reference to the South Manchuria Railway Company, it was only in comparatively recent years that the company began to realize a profit from the operation of its lines. For several years after it commenced operation, it barely managed to make both ends meet. Even after its business began to prosper and to yield a fairly large amount of profit, the expenditure needed for securing the safety of its tracks, namely the expenditure needed for maintaining the railway guards and police forces stationed in the railway zone, amounting to about 3,500,000 yen a year, and other indirect expenses necessary for the protection of the lines must be deducted from its revenue. Furthermore one must not overlook various sacrifices made in the past by Japan

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for the acquisition of the railway. The most outstanding of these is the stupendous sacrifices made by Japan during the Russo-Japanese War. In this sacrifice is included an item which is invisible and can not be expressed in figures. The lives of 100,000 men lost in the war constitute one item of this sort of sacrifice. To Japan it was an incalculable loss, but setting this aside for the moment, it may be remarked that Japan expended as much as 2,000,000,000 yen as the cost of military and naval operation. This enormous amount of money together with the interest thereon and other cognate items make a burden of about 7,200,000,000 yen when calculated on the basis of 5 per cent compound interest, which the Japanese people bear to-day and have to pay for heavily year after year. Now if we consider this burden as the price paid for all the rights and interests won by Japan as a result of the war, a very large part of it must be considered to have been paid for the acquisition of the South Manchuria Railway. Estimating the price paid for it at one-third of the combined domestic and foreign debts incurred by Japan on account of the war, the railway ought to repay about 2,400,000,000 yen. The total profit, however, made by the railway during the past quarter of a century does not exceed a little over 900,000,000 yen, so that the company operating it has still a very large amount to make good, and it can only be after many years that it will really be able to make a genuine profit.

The fact must also be taken into consideration that though the Japanese do not gain much profit from the business of the South Manchuria Railway Company, the Chinese receive a very big portion of the company's business expenditure. The amount of the business expenditure of the company varies from year to year, but within the last ten years it has ranged between 150,000,000 yen and 200,000,000 yen annually. Of this amount, the portion which is taken home covers the dividend of about 10 per cent (8 per cent for 1930) on shares owned by private individuals, amounting in value to 220,000,000 yen, and a very slender dividend on the equal amount of shares owned by the Government, (a total dividend of about 20,000,000 yen for the past few years), the money paid for supplies ordered from the Japanese manufacturers and part of the salaries paid to the Japanese staff and employees. The balance goes directly or indirectly into the pockets of the Chinese.

35
Development of
Manchuria and
Mongolia bene-
ficial to Chinese

§ 35.—Furthermore, the Chinese are the recipients of a large amount of benefit arising out of the industrial development of Manchuria and Mongolia, as a result of the working of the South Manchuria Railway. Agriculture being the leading industry in these two regions, we find that, besides the direct benefit which the railways give to agricultural industry in the localities along the lines, vast tracts of land, which formerly remained uncultivated, were turned into arable land after the railways began to run through them. Travellers by rail will at once notice that all the landscape, except for those lands unfit for cultivation such as alkaline or stony ground, is a limitless expanse of plantations. Thanks to the laborious researches of Japanese experts, it has lately been proved that even alkaline ground may be converted into arable land and some such land has even been turned into rich paddy fields. The following table roughly shows the increase in area of arable land within the last twenty years, the yearly rate of increase in recent years being about 400,000 acres:

Year	Arable land	Population
1908	7,400,000 <i>chobu</i> *	15,500,000
1929	13,200,000 „	29,200,000
Index number of increase 178.4		188.4

It must be admitted, however, that in addition to the South Manchuria Railway and the Chinese railways built with Japanese capital, the railways built with Chinese, British and Russian capital are contributory to the above-mentioned increase in arable land. It is, therefore, difficult to determine the exact extent of the share of the credit due to the South Manchuria Railways and the Chinese railways built with Japanese capital. But the following figures showing the growing increase of the amount of goods carried by the South Manchuria Railway will give some idea of the relation between the railways and the development of the localities along their route:

1907	1,348,493 tons
1917	6,599,133 „
1927	16,717,678 „

* One *chobu* is equal to about two and a half acres.

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1928 17,530,324 tons
 1929 18,562,960 ,,

From the above figures, it will be seen that the total amount of goods carried by the railways, which was at first only about 1,350,000 tons, had increased in 1929 to about 18,600,000 tons. This increase was partly due to the opening up of North Manchuria effected by large groups of immigrants from China Proper, who lately settled in that part of Manchuria. Accordingly, to be precise, the amount of goods coming from North Manchuria must be deducted from the total amount. But the goods coming from North Manchuria which are dealt with by the South Manchuria Railway do not usually exceed a total of 3,000,000 tons *per annum*. In view of this, it cannot be far from the fact to consider the above quoted figures as indicating the extent of the services rendered by the South Manchuria Railway to the development of Manchuria. It is needless to say that this development of the region has greatly benefited the Chinese inhabitants. Not only that, but the contribution made towards the industrial progress of the world in general by the opening up to foreign trade of Manchuria and Mongolia, which had remained entirely closed from time immemorial, must not be overlooked.

The prosperity brought to the land by its industrial development has increased the wealth of its inhabitants and has conferred direct and indirect benefits on the local Chinese authorities in the matter of taxation and in other ways as well. In fact the chief cause that enabled Chang Tso-lin to lord over Manchuria and Mongolia with regal pomp for more than twenty years was the prosperity of the land under his rule.

IV. *Other Japanese Contributions to the Industrial Development of Manchuria and Mongolia.*

Besides the above-mentioned services rendered, the efforts made by Japan for the industrial development of Manchuria and Mongolia are so manifold that it is impossible here to cite them individually.

§ 36.—To mention the more important, various manufacturing industries come first in the list, these including flour-milling, sugar-

36
 Manufacturing in-
 dustries under-

taken by Japanese

refining, oil-pressing, tanning, cotton-spinning, hemp-dressing, the woolen textile industry, tussah-silk-spinning, sawing, the manufacture of matches and soap, the smelting of iron, coal-mining, the refining of light metals, potteries and so forth. It is no exaggeration to say that except agriculture, which is being undertaken by Chinese on a comparatively large scale, there is no branch of industry in which Japanese are not participating either by being engaged directly in the management or through investments of capital. Especially impressive in magnitude and importance are the undertakings carried out by the South Manchuria Railway Company itself. These include coal-mining, oil-shale-refining and the generation of electricity at Fushun and iron works at Anshan. It is a fact that some part of the products of these enterprises has been, and is, indirectly furthering the cultural and industrial progress of Chinese; for example, coal and electricity supplied from Fushun furnish respectively fuel and motive power to manufacturing industries and communications.

37
Contribution made
to financial operations
by Japanese
banks

§ 37.—Another contribution made by the Japanese towards the industrial development of Manchuria and Mongolia is the active work of Japanese bankers and financiers. As described in Chapter VIII of Part II of "The Present Condition of China," the Chinese monetary system is unstable, there being frequent inflations of paper money to the great discomfiture of the thirty million inhabitants of Manchuria and Mongolia. Not only that but through the unlawful extortions of war-lords, or bad management coupled with the promotion of their own selfish interests on the part of their agents, the foundation of Chinese banks is very insecure. In addition, many of them do not function as banks, but chiefly deal in transactions in the staple products of Manchuria and Mongolia or in monetary manipulation. Such being the case, Chinese banks are inadequate to function as financing institutions for the rapidly growing industries of Manchuria and Mongolia, and it is only natural that foreign banks standing on a firm foundation and performing their function as such in the enjoyment of great confidence of the public, should occupy a very influential position in financial circles in the two regions. The foreign banks doing business there are under Japanese, British, French and Russian management. Each

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of these foreign banks has been and is contributing to the efficient working of local financial operations, but it is Japanese banks that are most conspicuous in this respect.

The number of the Japanese banks in Manchuria and Mongolia varies from time to time, but at present there are more than sixty of them, including branches of the Yokohama Specie Bank and the Bank of Chosen. According to the latest returns, the total amount of money advanced by them to Chinese is 40,000,000 yen and that of deposits in them by Chinese is 20,000,000 yen. In addition to this, the Yokohama Specie Bank and the Bank of Chosen have in circulation silver and gold bank-notes respectively issued by them, rendering very important service to local monetary circulation. These bank-notes enjoy great confidence on the part of the people at large and are very much preferred by them to Chinese paper money, which has been recklessly issued in great quantities (Note: 1) and has rapidly depreciated (Note: 2) on account of being issued with practically no reserve fund. Not only do Chinese use Japanese bank-notes in their dealings with Japanese, but they also serve them as a sort of security against the losses which might be incurred

Note: 1.

TABLE SHOWING ESTIMATED AMOUNT OF PAPER MONEY
ISSUED BY CHINESE BANKS

	1916	1929
Fengtien-piao	16,000,000 Yuan	3,000,000,000 Yuan
Kirin Kuantieh	236,000,000 Tiao	10,000,000,000 Tiao
Harbin Note	21,500,000 Yuan	50,000,000 Yuan
Heilungkiang Kuantieh	370,000,000 Tiao	12,000,000,000 Tiao

Note: 2.

RATES OF EXCHANGE OF CHINESE PAPER MONEY
WITH GOLD YEN

	1921	1926	1927	1928	1929
Fengtien-piao	Yuan	Yuan	Yuan	Yuan	Yuan
(at Mukden) (Per 100 yen)	135.5	358.8	956.7	2,509.7	5,682.7
Kirin Kuantieh	Tiao	Tiao	Tiao	Tiao	Tiao
(at Changchun) (Per 1 yen)	92.4	165.0	180.6	180.0	207.4
Harbin Tayang-piao	Yuan	Yuan	Yuan	Yuan	Yuan
(at Harbin) (Per 100 yen)	95.4	106.3	128.8	136.4	153.7
Heilungkiang Kuantieh	Tiao	Tiao	Tiao	Tiao	Tiao
(at Tsitsihar) (Per 1 yen)	65.9	251.7	312.0	355.1	432.6

from the inflation of Chinese paper money. The location of the Japanese banks, however, being confined to the more important open ports, naturally their utilization by the Chinese is limited. Furthermore, through the unlawful interference of the Chinese authorities, on not a few occasions the possession of Japanese bank-notes by Chinese has been prohibited or the transactions of Chinese with Japanese banks restricted, so that the banks were greatly handicapped in their dealings with the Chinese. In spite of this they retain the large amount of deposits by Chinese, and have advanced to them the amount of money above stated, thereby facilitating the circulation of money among them and contributing to the industrial development of Manchuria and Mongolia.

38
Japanese installations for improvement of industries in Manchuria and Mongolia

§ 38.—Another service which must be mentioned as a contribution towards the industries of Manchuria and Mongolia is to be found in the various installations which are made by the South Manchuria Railway Company for their improvement. One of the most important of these is the introduction of the mixed storage system in warehousing soya beans and bean cakes as well as of wheat, all staple products of the two regions. This system consists in the company's taking custody of goods entrusted for carriage without classifying them according to the consignors, but classifying them in accordance with their grade and quality after a rigid examination, mixing together all goods of the same grade and quality; and when delivery is demanded, goods are returned of the same kind, quality and quantity as had been received. This system not only gives to consignors the benefit of much lower storage and delivery charges as compared with other goods, but, if they desire it, the company issues storage certificates, which they may use for the purpose of raising funds even before the goods are disposed of. In addition to this, a signal advantage of this system is that it is instrumental in enhancing the reputation and value of the above-mentioned three principal Manchurian products in the countries where they are consumed and encourages producers to improve their quality.

Furthermore, the South Manchuria Railway Company maintains at various places, and in large numbers, agricultural experimental stations,

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model farms, nurseries, sheep, pig and poultry-breeding stations, veterinary research stations, agricultural schools and agricultural training institutes. At these establishments, studies and experiments are conducted for the improvement of the soya bean, wheat, upland rice, ordinary rice, tobacco, sheep, swine, poultry, etc.; saplings for afforestation and fruit tree saplings are grown for experimental purposes as well as for distribution, and experiments are made in the cultivation of cotton, and in sericulture. Chinese students and pupils are invited to these establishments to be instructed in all these branches of agricultural industry, in order that the good results obtained from the experiments there made may be put into practice. The company also allows grants-in-aid to Japanese and Chinese farmers undertaking the cultivation of rice, tobacco, cotton, hop, hemp and fruit trees, distributes seeds and saplings among them and takes other necessary measures for their assistance. Furthermore the company undertakes the leasing of about 3,000 *chobu* (equal to about 7,500 acres) of arable land belonging to it, extends help to persons in charge of farms and pastures or engaged in the timber industry and carries out investigations on behalf of persons desirous of undertaking agricultural enterprises, and gives them advice and guidance. In short, the company has been and is making in various ways provision on a comparatively large scale for the purpose of promoting the industrial development of Manchuria and Mongolia. A detailed account of all these activities will not be given here, but in a few words: the company first carries out a thorough course of experiment, scientific as well as practical, and distributes among Chinese farmers either gratis, or at very low prices, or in exchange for articles in kind, those seeds, saplings or breeds, which have been ascertained to be profitable or promising. Through this service very good results have been obtained in the improvement of the soya beans, rice, wool and fruits produced in Manchuria and Mongolia (Note).

Note:

TABLE SHOWING THE NUMBER AND QUANTITY OF
 IMPROVED SEEDS, SAPLINGS AND BREEDS
 DISTRIBUTED AMONG FARMERS

	1930	Total from the commencement of distribution
Improved seeds of soya beans	8710 koku*	18,480 koku

V. *Japanese Contribution towards the Advancement of Culture in Manchuria and Mongolia*

The service rendered by Japan in the advancement of culture in Manchuria and Mongolia, concurrently with the industrial and other enterprises there undertaken by her, is one of the principal factors that have made the two regions what they are to-day.

39
Manchuria and
Mongolia were far
behind other parts
of China in respect
of culture

§ 39.—By reason of the geographical position of the two regions, which is far to the north, and of the severity of their climate and various other physical features, they lagged far behind China Proper in the advancement of civilization. In addition, the Manchu Court, which exercised rule throughout the whole of China from the early part of the XVIIth century until 1911, in order to prevent the influence of the Chinese from extending to Manchuria and Mongolia, prohibited marriages between Chinese and Manchus as well as all Chinese immigration to these regions, with the result that their inhabitants were all the more sequestered from Chinese civilization and for a long time were obliged to pursue their primitive mode of life.

Though this prohibition gradually slackened subsequently, the cultural development of the two regions remained for a long time arrested, and when for the first time Japan secured a foothold in this part of the Asiatic continent, she found the stage of their civilization to be very much lower than that of China Proper. Keenly feeling that the promotion of civilization was a matter of urgent necessity, she has since 1907 been putting forth year after year strenuous efforts for the modernizing of the towns and cities in the railway zone as well as for the establishment and improvement of schools and sanitary institutions at the cost of a considerable sum of money.

Improved seeds of rice	430 <i>koku</i>	3,170 <i>koku</i>
Sheep (improved breeds and Merino breed)		876
Swine (Berkshire breed)		922
Saplings of fruit trees	2,000	241,800
Saplings of mulberry trees		1,200,000

* One *koku* is equal to about 4.962 bushels.

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§ 40.—The administration of the towns and cities in the South Manchuria Railway zone has been undertaken with the ideal in view of making them places of safe and happy abode for the people who, attracted by the railways, come to settle there. Japan, mostly through the medium of the South Manchuria Railway Company, has therefore assiduously striven for the past quarter of a century to furnish them with all necessary public works and educational and sanitary institutions as well as with entertainment, so that people may enjoy a civilized existence in the midst of that wild country, and also to equip them with facilities for collecting and forwarding goods from the adjacent districts.

At the time when the South Manchuria Railway Company was first established all the land along its various routes was nothing but a vast expanse of wild plains. Thanks to the efforts of the company in setting up modern towns and cities along its lines, there are now in the railway zone two cities with a population exceeding 50,000 each, five with a population exceeding 10,000 each and many other prosperous towns, all of which present scenes such as can be seen nowhere else in the rest of Manchuria and Mongolia. On this account, the Chinese coming to live in these cities and towns in quest of security have been increasing in number year after year, until in recent years they have been increasing on the average at the rate of 10,000 a year. Especially noteworthy has been the growing tendency among Chinese merchants in places outside the railway zone to remove their premises to cities or towns within the zone or to establish branches there with a view to safeguarding their lives and property (Note). Thus not only do a great many Chinese living in the railway zone enjoy the benefits of civilization, but the influence of their civilized way of living has naturally extended into the interior, eliciting the appearance near the zone of modernized cities and towns under Chinese administration. At the same time the cities and

40
 The administration of the towns and cities in the South Manchuria Railway zone

Note:

TABLE SHOWING INCREASE OF POPULATION
 IN THE RAILWAY ZONE

Year	Japanese	Chinese	Foreigners	Total
1906	3,821	7,675	—	11,496
1915	34,843	60,225	181	95,249
1925	92,625	180,534	1,466	274,625
1929	104,010	221,059	1,811	326,880
1930	119,450	247,252	1,969	368,671

towns in the railway zone serve as models for new cities and towns to be hereafter planned and constructed in the interior. In this way the contribution made by the Japanese towards the advancement of civilization in Manchuria and Mongolia is by no means small. As regards the expenses defrayed by the South Manchuria Railway Company for the administration of the cities and towns in the railway zone in regard to the construction and maintenance of roads, embankments, bridges, water-works, drainage systems, market places, parks, cemeteries, crematoria, abattoirs, etc., they have amounted from 1907, when it first took up the work to the present time, to no less than 150,000,000 yen.

41
Japanese service
to education in
Manchuria and
Mongolia

§ 41.—The influence of Japanese institution of education in Manchuria and Mongolia is also very great. The educational work undertaken by Japanese for the Chinese comes under two heads, namely work in the leased territory of Kwantung and work in places outside. The latter, so far as the railway zone is concerned, is in charge of the South Manchuria Railway Company. The Company maintains primary schools at Mukden, Changchun, Fushun and elsewhere, ten in all. In these schools Chinese children are given elementary education generally in conformity with the provisions of the elementary school regulations of China. The other educational organs maintained by the Company for Chinese are various Japanese language schools and supplementary technical schools, one middle school, two commercial schools, two agricultural schools, and one mining school, besides a medical college established at Mukden where Japanese and Chinese alike are taught (Note).

Note:

TABLE SHOWING NUMBERS OF CHINESE ATTENDING
SCHOOLS MAINTAINED BY THE SOUTH
MANCHURIA RAILWAY COMPANY

	1911	1916	1921	1926	1927	1928	1929	1930
Primary Schools	417	956	1,642	2,196	2,365	2,334	2,444	2,614
Middle School	—	61	146	254	313	261	297	309
Commercial Schools	—	—	109	235	217	166	79	49
Agricultural Schools	—	—	—	189	164	118	77	13
Supplementary Technical Schools	—	614	242	290	438	292	352	379
Medical College	—	—	—	118	149	188	218	225
Japanese Language Schools	—	138	83	48	49	55	57	75
Total	417	1,769	2,222	3,330	3,795	3,414	3,524	3,664

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Not only has this educational work for Chinese directly promoted the welfare of the young Chinese studying in these schools, but it has indirectly served in no small measure to stimulate the improvement and progress of Chinese educational work.

§ 42.—Next, most of the Japanese sanitary institutions in Manchuria and Mongolia have also been set on foot by the South Manchuria Railway Company: the establishment of hospitals, the improvement of sanitary arrangements and the dissemination of sanitary knowledge and ideas all being its work. To mention in outline the measures taken for this purpose: it has established and maintains hospitals and branch hospitals at twenty-two places, where medical treatment without discrimination is given to Japanese, Chinese and foreigners living in or near the railway zone. In recent years the number of Chinese utilizing these medical institutes has been gradually increasing, as many as 36,784 Chinese patients having visited them during 1930.

As, however, it is comparatively speaking only a small portion of the population that receives the benefit of these hospitals, the South Manchuria Railway Company sends every year itinerant medical parties to Inner Mongolia and Eastern Manchuria. They travel from village to village for a period of from one to two months and give attendance to those who are in need of it. Apart from this side of the sanitary work undertaken by Japanese for the benefit of Manchuria and Mongolia there is another matter in which they have done very distinguished service. This is the preponderant share they had in the suppression and prevention of epidemics. As the lower class Chinese are destitute of sanitary ideas, when once an epidemic breaks out among them, it often spreads with great virulence in a short time. Formerly there was practically no preventive provision against epidemics on the part of the Chinese, and so the bitter lesson was learned in 1910, when pneumonic pest broke out in North Manchuria, that unless joint preventive measures were taken by all concerned against such epidemics they would spread unchecked, doing incalculable harm. At that time, when once the plague had broken out it spread rapidly all over Manchuria and Mongolia and even penetrated into the Provinces of Chihli, Shantung and Honan. To combat it, the Japanese persuaded the Chinese, after much labour

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 Japanese service
 to sanitation in
 Manchuria and
 Mongolia

to co-operate with them, and enlisting the aid of Russians as well, finally succeeded in suppressing the dread diseases. Again in 1919, when cholera ravaged all over Manchuria, Japanese exerted their efforts for its suppression. In 1921 pneumonic pest again broke out, and subsequently there was a visitation of cholera, but in recent years there has occurred no widespread epidemic. This is of course due to the diffusion of sanitary principles among both the Chinese authorities and people, but the co-operation extended to them by the Japanese is also contributory towards it. As to the amount spent by Japan for sanitation in Manchuria and Mongolia, the South Manchuria Railway Company alone has so far expended more than 50,000,000 yen.

VI. *Maintenance of Peace and Order*

43
Japan's contribu-
tion towards peace
in Manchuria and
Mongolia

§ 43.—There is a special matter to be mentioned here as a contribution by Japan towards the development of Manchuria and Mongolia, namely the efforts she has exerted for the maintenance of peace and order in these regions.

In China Proper since the revolution of 1911 at any rate, no year has gone by without seeing civil wars in progress, and many places have been devastated in consequence and looted by soldier-bandits, besides being bled white by war-lords. Since the Russo-Japanese War Manchuria and Mongolia, however, have escaped being involved in civil war, and, though locally molested from time to time by bandits, have as a whole remained peaceful and orderly. This is one of the chief causes that have enabled the two regions to make such remarkable progress as we see now. The military chieftains of Manchuria and Mongolia, like their rivals in China Proper, levied repeated extortions from the people under their rule. As stated in Chapter VIII, Part II, of "The Present Condition of China," Chang Tso-lin was especially guilty of this form of bad administration as he needed much money for his repeated expeditions into China Proper to accomplish his ambition of unifying the whole country by force. He took practically no measures to promote the welfare of the people. Upon succeeding him, Chang Hsueh-liang, his son, however, pursued for some time certain commendable policies including the encouragement of education. This he did as he was afraid of meeting with difficulties in

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the way of government because of his lack of prestige; and besides, infatuated with the vainglorious idea of considering himself as an enlightened ruler, he naturally desired to introduce new features into his administration. But his good intentions did not last long. Not long after, he turned into as great a despot as his father, and paid no attention to the development of industry. That industry has notwithstanding made great strides in Manchuria and Mongolia is principally due to the fact that peace and order have been maintained in the two regions for more than twenty years.

§ 44.—In order to see why peace and order have thus been maintained in Manchuria and Mongolia, one must consider first why disturbances in China Proper did not extend to these two regions, and secondly why peace was preserved within their bounds.

One of the reasons why the frequent disturbances in China Proper did not extend to these two regions is their geographic position. Owing to the fact that they are separated from China Proper by the Great Wall and by mountains rising in successive ranges in its neighbourhood and are connected with it only by a narrow stretch of low-lying land in the direction of Shanhaikwan, they stand in a comparatively safe position as against invasions from China by land. On the other hand, attacks from China Proper by sea are also difficult, because as long as Kwantung remains leased to Japan, Port Arthur and Dairen can not be used by invaders as landing points. The only port they can use is Yingkou, but no great army can be sent into the heart of Manchuria unless the shore and harbour facilities in the possession of the South Manchuria Railway Company there be forcibly or otherwise utilized. In these circumstances, the Japanese lease of Kwantung Territory acts as a species of defence against the invasion from China Proper.

Even supposing that disturbances in China Proper extended to Manchuria and Mongolia, yet as a result of the South Manchuria Railway dividing, by its trunk line, South Manchuria into eastern and western halves and, by its Mukden-Antung Line, dividing the eastern part into southern and northern halves, both invaders and defenders would have to violate Japanese interests connected with these railways and the railway zone if they desired to manœuvre their troops on

44
 Why disturbances
 in China Proper
 did not spread to
 Manchuria and
 Mongolia

anything like a large scale, with the result that they would be hampered in their movements and disturbances would thus be prevented from assuming any extensive dimensions. In this respect Japan has done much towards the preservation of peace and order in Manchuria and Mongolia.

45
Action taken by
Japan for main-
tenance of peace
and order in Man-
churia and Mon-
golia

§ 45.—A real case illustrative of these possibilities occurred when in 1925 Kuo Sung-ling, a general under Chang Tso-lin, conspired with his partizans in China Proper against his chief, and attempted to attack Mukden. Fighting ensued in the southern part of Fengtien Province and the war threatened to involve the South Manchuria Railway zone. Partly for the purpose of protecting our important rights and interests and partly for that of minimizing the sphere of the disturbance, the Commander of the Japanese army stationed in Kwantung issued warnings to the opposing forces against engaging in warfare within twenty Chinese miles (about twelve kilometres) of the railway zone and also from taking any action likely to disturb peace and order in that zone (Note).

Note:

FIRST WARNING ISSUED IN 1925 BY THE COMMANDER OF
THE JAPANESE ARMY IN KWANTUNG

"It can hardly be necessary for the Commander of the Imperial Army to say that, in loyal pursuance of the settled policy of his Government, he has always scrupulously observed an attitude of strict non-interference in the internal difficulties of China and that he has no intention whatever of allowing himself to display any interest in the fortunes of any of the conflicting factions of China. It must not, however, be forgotten that there are in Manchuria hundreds of thousands of Japanese subjects, engaged in peaceful pursuits, as well as an immense amount of Japanese capital invested.

"Should, therefore, a situation develop as a result of hostilities or disturbances, whether in the Railway zone or in the adjacent districts, which is calculated to jeopardize or seriously menace these important interests of Japan, the Japanese forces in Manchuria would be constrained to act as duty demands.

"The Commander of the Imperial Army has no doubt that both contending forces will pay due regard to this special position of my country in this part of China, but he feels in duty bound to declare that, if an emergency such as is indicated above should nevertheless arise, recourse must be had to such steps as may be required by the circumstances.

"In view of the increasing proximity to the Japanese defence zone of the

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Again in the war between Chiang Kai-shek and Chang Tso-lin in 1928, for fear that disturbances might extend to Manchuria and Mongolia, Japan informally suggested to the latter to consider adequate steps for the cessation of hostilities. Subsequently, upon Chang withdrawing from China Proper with a large army, and signs appearing that disturbances might spread to the two regions, Japan, as stated in Chapter XVII of Part II of "The Present Condition of China," issued in May of the same year a warning to both contending forces concerning the preservation of peace and order.

Thus it cannot be denied that the reason why during a prolonged period no disturbances broke out in Manchuria and Mongolia themselves must, to a large extent, be attributed to the existence there of Japan's important rights and interests, particularly those of the South Manchuria Railway. In order to protect them Japan had consistently taken resolute steps to prevent disturbances from breaking out in the two regions. Such cases had frequently occurred when bandits attempted to cross the South Manchuria Railway zone in a large body. On not a few such occasions Japan forestalled their movements by issuing a warning against such acts and made it impossible for them to cross the railway either from east to west or from west to east, thereby preventing them from disturbing peace and order along the railway zone.

There was another instance in which Japan took a similar step before Chang Tso-lin had succeeded in bringing Manchuria and Mon-

theatre of hostilities between the two contending forces, the Commander of the Imperial Army deems it necessary to make this communication simultaneously to both the hostile commanders."

SECOND WARNING OF THE SAME COMMANDER

"In loyal pursuance to the established policy of the Imperial Government I have the honour to address another warning to the commanders of the opposing armies.

The Japanese Army forbids fighting by the two armies within twenty Chinese miles (about twelve kilometres) of both sides of the South Manchuria Railway zone and the termini of the railways and also military operations likely to disturb peace and order in the railway zone.

If any further elucidation of the present communication be deemed necessary it is requested that application be made formally to the Imperial Government through the Chinese Government.

golia completely under his rule. It happened in 1919 when Meng En-yuan, Military Governor of Kirin, and Chang Tso-lin, who was then the Military Governor of Fengtien, were about to commence hostilities against each other. In order to attack the enemy, either of the opposing armies would have had to cross the South Manchuria Railway,—or else make a *détour*, marching along the southern section of the Chinese Eastern Railway in the north. The Kirin army, which was reported at that time to be a little superior in strength to its enemy, had pushed on as far as Changchun and then had attempted to march westward along the South Manchuria Railway zone, with the result that it came into collision with Japanese troops and abandoned the intention of marching to Mukden. In this way, serious disturbances, which otherwise would have broken out, were avoided. The preservation of peace and order in Manchuria and Mongolia is absolutely necessary for the protection of our important rights and interests, which are indispensable from an economic point of view to our existence. Especially important to us are the railways, and it is for this reason that by the Portsmouth Peace Treaty and the Additional Articles of 1905 as well as by the Sino-Japanese Treaty concerning Manchuria which was signed the same year, Japan reserved to herself the right of maintaining railway guards, established the fundamental principle of protecting all her rights and interests by force in case of emergency and prohibited the presence of Chinese troops within twenty Chinese miles of the territory guarded by Japanese troops (Note).

Note:

ADDITIONAL AGREEMENT TO THE SINO-JAPANESE
TREATY OF 1905

Article III.—The Imperial Japanese Government, immediately upon the withdrawal of their troops from any regions in Manchuria, shall notify the Imperial Chinese Government of the regions thus evacuated, and even within the period stipulated for the withdrawal of troops in the Additional Articles of the Treaty of Peace between Japan and Russia, the Chinese Government may send necessary troops to the evacuated regions of which they have been already notified as above-mentioned, for the purpose of maintaining order and tranquility in those regions. If in the regions from which Japanese troops have not yet been withdrawn any villages are disturbed or damaged by native bandits, the Chinese local authorities may also dispatch a suitable military force for the purpose of capturing or dispersing those bandits. Such troops, however, shall not proceed within 20 Chinese li from the boundary of the territory where Japanese troops are stationed.

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As regards the other rights and interests, there are no treaty provisions concerning their protection by Japan by means of force. But on the occasion of the conclusion of the above-mentioned Sino-Japanese Treaty concerning Manchuria, the Chinese plenipotentiary gave a pledge that with regard to the maintenance of peace and order in that region China would pay closer attention to it than to any other part of her territory and moreover in the protocols of the conference, which from their nature should be regarded as part of the treaty, he gave assurances for the preservation of peace and order by the Chinese Government themselves and promised complete protection of the lives and property of foreigners. Consequently if China is unable to maintain peace and order in Manchuria and Mongolia, it amounts to a failure on her part to discharge important treaty obligations, so that it becomes unavoidable for Japan to take adequate measures to counteract that infringement of treaty obligations.

Chapter III

Japan's Rights and Interests in Manchuria and Mongolia and Examples of Their Infringement by China

It goes without saying that the dispute pending since September, 1931, between Japan and China concerning Manchuria and Mongolia owes its chief cause to the direct and indirect infringements of the rights and interests possessed by Japan in these two regions continuously committed by China. What are then these rights and interests and in what way did China infringe them? These questions are answered in outline in the present Chapter.

I. THE QUESTION OF KOREANS

1. *Conditions of Korean Immigrants*

46
Number of Kore-
ans resident in
Manchuria

§ 46.—The immigration of Koreans into Manchuria and Mongolia has a comparatively long history. For the past thirty years, both from racial and social points of view, the Korean immigrants have become a factor in Manchuria which it is impossible to ignore; and to-day as many as 600,000 of them are registered at the Japanese consulates in these two regions, their yearly rate of increase being on an average more than 21,000 (Note).

Note:

1912	238,403	1922	515,865
1913	252,118	1923	528,027
1914	271,388	1924	531,857
1915	282,070	1925	513,973
1916	328,318	1926	542,185
1917	337,461	1927	558,280
1918	361,772	1928	577,052
1919	431,198	1929	597,677
1920	459,427	1930	607,119
1921	488,656		

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Besides these, a large number of Koreans are far in the interior, where it is impossible for the Japanese authorities to conduct investigations concerning them, so that the total number of Koreans living in Manchuria and Mongolia is estimated at 1,000,000 at least.

§ 47.—About 90 per cent of the Koreans resident in Manchuria make agriculture their occupation, only a small portion of them being engaged in trade or industry in cities or their neighbourhood. They mostly live in the Province of Kirin. In this province the districts of Chientao and Hunchun contain especially large numbers of Korean immigrants, for the reason that, besides being near to the Korean border and having a long history of Korean immigration, the protection given them by the Japanese authorities is relatively complete. In fact, 80 per cent of the Koreans resident in Kirin Province live in these two districts, and working more than one half of the arable land there, they have so firmly established themselves in the locality that it may practically be regarded as a Korean sphere.

47
 Occupations of
 the Korean immi-
 grants

In Chientao the Korean farmers work chiefly dry fields, while in the other parts of South and North Manchuria they are engaged in irrigated rice cultivation. Throughout the whole of Manchuria the percentages of areas of dry field and paddy field cultivated by Koreans are roughly 70 and 30 respectively. In Chientao, not a few Korean farmers own land which they till themselves, but in other places Korean immigrants mostly work as tenant farmers, and all of them have contributed much as the pioneers of the industrial development of Manchuria and Mongolia. By virtue of the Sino-Japanese Treaty of 1915 respecting South Manchuria and Eastern Inner Mongolia these Koreans are entitled to the right of acquiring reasonably long leases of land. The anti-Korean attitude of the Chinese authorities, however, makes it impossible for them to enjoy this right, so that they are merely allowed to engage in the working of paddy fields, in which art they specially excel, and that only through precarious holdings. Chinese owners of waste land, with a view to the land being made arable, let it to Korean tenants on reasonable conditions and when the land has been converted into good paddy fields after several years of toil and moil, they turn them out by demanding either absurd increases of rent or the surrender of the land. In this

way, these poor Koreans are usually obliged to quit the land they have made productive by the sweat of their brows and go further into the interior in quest of new land to open up.

48
Korean contribu-
tion to the de-
velopment of Man-
churia

§ 48.—What contribution immigrant Korean farmers have made towards the development of Manchuria may best be illustrated by the figures showing the area of land they have reclaimed. Though for various reasons it is difficult to get exact figures concerning this, according to investigations made in 1930, the total area of paddy fields worked by Korean farmers was about 60,000 *chobu* (one *chobu* is equal to about two and a half acres), from which they obtained crops amounting to 1,500,000 *koku* of rice (one *koku* is equal to about 5 bushels). They also worked 216,000 *chobu* of dry fields, harvesting therefrom 1,020,000 *koku* of millet, 1,170,000 *koku* of soya beans, 270,000 *koku* of maize and 26,000 *koku* of *kaoliang*. Not only do these figures represent in some cases rough estimates, but they represent only the areas of land worked and the quantities of crops obtained during the year under investigation, and do not include the area of the land which Korean farmers had reclaimed some time prior to the year under consideration but which had been subsequently wrested from them by Chinese land-owners, so that the total amount of contribution made by immigrant Korean farmers to the development of Manchuria and Mongolia undoubtedly exceeds by far what these figures represent.

The Korean farmers have particularly benefited Manchuria by opening up a vast tract of waste land for the cultivation of rice. Owing to a custom prevailing among the Chinese to keep their feet wrapped up, as well as to their habit of making *kaoliang* and other products of dry fields their staple food, they do not take up the cultivation of rice, and have left all low-lying marshy land untouched. Since Koreans began to immigrate into Manchuria, accustomed as they were at home to the cultivation of rice, they eagerly sought such land and converted it into rich paddy fields, so that to-day wherever there are paddy fields Koreans are invariably found living near them. Indeed the cultivation of rice now carried on so prosperously in Manchuria and Mongolia owes its origin to the labour of Koreans.

The figures representing the area of paddy fields worked by Koreans

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and the amount of crops obtained by them from these during 1930 and compared with the figures for the whole of Manchuria and Mongolia, will at once show in what close relations the Koreans stand to rice cultivation in these two regions. To be particular, the area of paddy fields worked by Koreans and the amount of crops obtained by them therefrom were 72.6 per cent and 91 per cent of the total area of paddy fields and the total amount of crops respectively (Note). Besides, even those paddy fields which were worked by Chinese had not a few Koreans employed thereon and as already stated there are many fields which had been reclaimed by Koreans but were wrested away by Chinese landowners. When the area of these fields and the amount of the crops obtained therefrom are all taken into account, one is forced to the conclusion that there is practically no paddy field in Manchuria and Mongolia which has not been brought under cultivation by Koreans.

2. Treaty Status of Koreans

§ 49.—The treaty status of Koreans after the annexation of Korea by Japan in 1910 is not the same as it was previously to the annexation. When Korea was an independent State, provisions for mutual extra-territorial jurisdiction existed between Korea and China, and while the subjects of either country were under the consular jurisdiction of their own State, each had their own settlements to live in and could not live or engage in business in places outside of those settlements. In the district of Chientao alone, for the reason that it was formerly considered by Koreans as a dependency of Korea and there existed many facilities of communication with that country, Koreans had lived in great number and pursued their respective vocations for many years past. It appears that Koreans began to emigrate to this district in the early part of the XVIIth century, viz. the period at which the Manchu Government of

49
 Status of Koreans before the annexation

Note:

AREA OF PADDY FIELDS WORKED BY KOREANS AND THE AMOUNT OF CROPS OBTAINED BY THEM THEREFROM

	Area	Crops
Throughout Manchuria	82,481 <i>chobu</i>	1,614,380 <i>koku</i>
Worked by Koreans	59,957 "	1,476,307 "
Percentage	72.60%	91%

China was first founded, and so they were practically the pioneers who opened it up. When, about the year 1620, Chinese also began to emigrate thither, China and Korea designated a stretch of land lying along the Yalu and the Tumen into a buffer territory between the two countries and prohibited Koreans and Chinese alike from settling there. In the last quarter of the XIXth century, the said prohibition not being strictly observed, the number of Koreans emigrating to the district steadily increased, until the Korean population there far exceeded that of the Chinese, so that it became practically a Korean dependency. China protesting vigorously against this state of things, a prolonged dispute had consequently been pending between the two countries with regard to territorial rights over the district. In the meantime, at the beginning of the XXth century, Korea appointed officials for the government of their subjects in the district, while China too, following the Korean example, sent her officials for the government of her subjects there: thus the dispute reached its climax. Subsequently, after a treaty of protection had been concluded between Japan and Korea (in 1905) and the former had taken charge of the foreign affairs of the latter, Japan, adopting as well-founded the argument in favour of the sovereignty of Korea over this territory based on the historical facts as well as on the actual circumstances there prevailing, established in 1907 an agency in the district of the Government-General of Korea and took up the government of the Koreans resident therein. Soon afterwards Japan entered into negotiation with China concerning this district and concluded with her in 1909 the Agreement concerning Chientao. By this agreement China recognized the rights of Koreans to live and engage in business as well as to own land and dwellings in the district, while on the part of Japan she recognized the Chinese sovereignty over the territory and Korean subjects resident in it as coming under Chinese jurisdiction (Note).

Note:

SINO-JAPANESE AGREEMENT CONCERNING CHIENTAO,
CONCLUDED IN 1909

Art III. The Government of China permits the residence of Korean subjects, as heretofore, on agricultural lands-lying north of River Tumen. The limits of the district for such residence are shown on the annexed map.
(Map omitted here.)

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§ 50.—After the Treaty of Annexation was concluded in the following year between Korea and Japan, the Koreans in China naturally acquired the status of Japanese subjects and that part of Chientao Agreement which deals with the status of Koreans ceased *ipso facto* to be valid. But practically the Japanese Government continued to treat the Koreans resident in Chientao as theretofore, and China, too, treated the Koreans in accordance with the stipulations of the Chientao Agreement without ever raising the question of its validity.

50
 Status of Koreans
 after the annexation

§ 51.—Upon the conclusion, in 1915, of the Sino-Japanese Treaty respecting South Manchuria and Eastern Inner Mongolia, a question arose whether Koreans resident in Chientao should be treated in accordance with the Chientao Agreement or in accordance with the treaty of 1915. Japan contended that the treaty of 1915 should

51
 Status of Koreans
 after the conclusion of the Sino-Japanese Treaty of 1915

Art. IV. The Korean subjects residing on 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 Korean subjects 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 Korean subjects 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, in the hearing of important cases affecting the lives of individuals, previous notice is to be given to the Japanese Consular Officers. Whenever the Japanese Consular Officers find that a 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 the justice of the decision.

Art. V. The Government of China engages that land and buildings owned by Korean subjects in the mixed residence district to the north of the River Tumen shall be fully protected, equally with the property of Chinese subjects. Ferries shall be established on the River Tumen at places properly chosen, and people on either side of the river shall be entirely at liberty to cross to the other side, it being, however, understood that persons carrying arms shall not be permitted to cross the frontier without previous official notice or passports. In respect of cereals produced in the mixed residence district, Korean subjects shall be permitted to export them out of the said district, except in time of scarcity, in which case such exportation may be prohibited. Collection of firewood and grass shall be dealt with in accordance with the practice hitherto followed.

naturally be applied to Koreans, who are Japanese subjects, and the Chientao Agreement was valid only in regard to matters not provided for in that treaty. Above all Japan claimed that the right of jurisdiction over the Koreans in Chientao should belong to the Japanese authorities. China interpreted the treaty in a different sense, and in consequence a dispute arose in 1915-16. Though she subsequently abandoned the attitude of contending formally on this point, she continued the endeavour to maintain in effect her jurisdiction over Koreans by resorting to various measures.

The gist of Chinese arguments was (1) that whereas Article VIII of the Sino-Japanese Treaty of 1915 stipulates that "Except as otherwise provided in this Treaty, all existing treaties between Japan and China with respect to Manchuria shall remain in force," the treaty contains no provisions concerning the Koreans in Chientao, so that the Agreement concerning Chientao continues to be valid, and (2) that as China's sovereignty over Chientao was recognized by the Agreement concerning Chientao, and the Koreans resident there came under Chinese jurisdiction in return for Japan's acquisition of railway and mining interests in Manchuria and Mongolia, it would be at variance with the spirit of the agreement to consider it amended by the Sino-Japanese Treaty of 1915. This Chinese contention, however, is not admissible.

In the first place, though China quotes Article VIII of the treaty of 1915 to support her contention, the purport of the provisions does not go beyond recognition of the validity of the Agreement concerning Chientao in regard merely to matters not specifically provided for. For this reason, as long as provisions were laid down in the treaty of 1915 concerning the rights of residence and business as well as the right of jurisdiction in favour of Japanese in general, including Koreans of course, it is indisputable in the light of the text that the provisions in the Agreement concerning Chientao relating to the same matters became ineffective simultaneously with the treaty of 1915 coming into effect. Properly speaking, the provisions contained in the above-mentioned Article VIII were specially laid down for the purpose of avoiding the existence in Chientao, a part of Manchuria, of a system which is different from that obtaining in other parts of Manchuria.

Again, with regard to the second point of China's contentions, to the effect that Japan ceded to her the right of jurisdiction over Koreans

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in return for her acquisition of the rights and interests concerning railways and mines, it does not tally with the facts. It is true that Japan acquired certain rights and interests concerning mines, but that is one thing and the Agreement concerning Chientao is another; the two things have no connection whatever. As for the rights concerning railways, they are provided for by Article VII of the Agreement concerning Chientao and are different in purport from the above-mentioned rights concerning mines. These rights were secured by Japan in return for her recognition of China's sovereignty over Chientao, and have nothing to do with the rights of jurisdiction. By the Agreement concerning Chientao, Japan recognized China's right of jurisdiction over the Koreans resident in that district, under certain fixed conditions, as a return for her concession of their right of residence and various other rights, with the object of assuring the position of a large number of them who are in fact resident there. Accordingly, after the Japanese had secured the right of residence anywhere in Manchuria by the Sino-Japanese Treaty of 1915, there is nothing that is at variance with the spirit of the Agreement concerning Chientao if, as was actually the case, the position of Koreans as settled in that Agreement underwent a change.

For the above-mentioned reasons Koreans resident in Manchuria and Mongolia are entitled to the enjoyment of all the rights and have to sustain all the obligations provided for by the Sino-Japanese Treaty of 1915. They are, therefore, free to live, travel and engage in trade, industry and other activities, in South Manchuria. They have also the right to lease the land needed for erecting thereon various buildings for business purposes or for carrying on agricultural enterprises. Finally they have the right to undertake, jointly with Chinese, agricultural enterprises and accessory industries in Eastern Inner Mongolia after obtaining the sanction of the Chinese authorities (Note).

Note:

SINO-JAPANESE TREATY RESPECTING SOUTH MANCHURIA
 AND EASTERN INNER MONGOLIA,
 SIGNED IN 1915

Article II. The subjects of Japan shall be permitted in South Manchuria to lease land necessary either for erecting buildings for various commercial

3. *Chinese Oppression of Koreans*

Upon finding Koreans entering Manchuria as immigrants in growing numbers year after year and settling permanently in group at various places so as to constitute a force of no contemptible influence, the Chinese authorities began to feel uneasy and to be on guard against this peaceful penetration, until 1927, when an anti-Japanese agitation was set on foot

and industrial uses or for agricultural purposes.

Article III. The subjects of Japan shall have liberty to enter, travel and reside in South Manchuria and to carry on business of various kinds—commercial, industrial and otherwise.

Article IV. The Government of China shall permit joint undertakings, in Eastern Inner Mongolia, of the subjects of Japan and citizens of China, in agriculture and industries auxiliary thereto.

NOTES EXCHANGED IN CONNECTION WITH ART. II OF THE ABOVE-MENTIONED TREATY

Peking, May 25, 1915.

Monsieur le Ministre,

I have the honour to state that it is understood that the term "lease" mentioned in Art. II of the Treaty respecting South Manchuria and Eastern Inner Mongolia, signed this day, includes leases for a long term up to thirty years and unconditionally renewable.

I avail, etc.

(Signed) EKI HIOKI,
etc., etc., etc.

His Excellency
Mr. LU CHENG-HSIANG,
etc., etc., etc.

Peking, May 25, 1915.

Monsieur le Ministre,

I have the honour to acknowledge the receipt of your Excellency's note of to-day's date, in which you state that it is understood that the term "lease" mentioned in Art. II of the Treaty respecting South Manchuria and Eastern Inner Mongolia, signed this day, includes leases for a long term up to thirty years and unconditionally renewable.

In reply I beg to state that I have taken note of the same.

I avail, etc.

(Signed) LU CHENG-HSIANG,
etc., etc., etc.

His Excellency
Mr. EKI HIOKI,
etc., etc., etc.

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through Manchuria, which attained a great intensity suddenly at about the end of the same year, and a movement for persecuting Korean immigrants broke out as an aftermath. When, the following year, Manchuria and Mongolia came under the *régime* of the Nanking Government, the revolutionary foreign policy of that Government was immediately reflected upon the question of Korean immigrants and the movement directed against the latter became more obtrusive than ever.

§ 52.—The incentives to Chinese oppression of Koreans are not few, but the principal one is their suspicion that the Koreans are the vanguard of Japanese encroachment on Manchuria and Mongolia. The emigration of Koreans to Manchuria dates far back in history. The Province of Kirin is so intimately related with Korea that, considering the fact that it was once under Korean rule (during the Koguryu Dynasty), it might be said that it was Chinese who took it away from Korean hands. In the circumstances, it is quite natural that many Koreans should emigrate there. As a matter of fact, more than half a century ago Chientao and the north-eastern part of Kirin Province had already a fairly large number of Korean inhabitants, so that the Korean emigration to Manchuria is not of recent date. This accounts for the conclusion of the Agreement concerning Chientao of 1909, as well as for the dispute that took place prior to that event between China and Korea concerning the sovereignty over the district. It is entirely due to the rapid economic changes which have recently taken place in Korea that many Koreans have been emigrating to Manchuria and Mongolia. Besides, these two regions are not the only places which attract them, for they have been and are coming to Japan Proper in equally great numbers. Japan having neither encouraged nor restricted it, the Korean emigration to Manchuria must be regarded as the outcome of a natural tendency. There can be no political or diplomatic motives behind it and the fear on the part of China that Japan is plotting the absorption of the two regions by making use of Korean immigrants is entirely groundless.

However, the anti-Korean measures taken by the Chinese authorities in recent years have been becoming more and more obtrusive. They have frequently issued instructions to the local authorities urging them

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 Incentives to Chinese oppression of Koreans

to deal with Korean immigrants with an iron hand. For instance, an instruction issued to the local authorities by the Provincial Government of Kirin in 1930 contains a passage to the following effect: "We have often issued instructions concerning the prevention of Japanese encroachment on Manchuria and Mongolia, but according to confidential information supplied by the Commission of Political Affairs of the North-Eastern Provinces, the Japanese Government have despatched a number of Japanese and Korean capitalists forming what is called the "Manchurian Development Party" to various places in North and South Manchuria. Not only do they engage activities that will encroach on our economic interests, but either directly or indirectly effect thievish purchases of our land through the medium of immigrants. It is certain that their policy is to convert our Four North-Eastern Provinces gradually into a colony of their own" (Note). In June the same year, the same Government issued another instruction to the local authorities urging them to deliberate upon measures for expelling Korean immigrants and make a special study on the "preventive measures against the Japanese plot to encroach on our territory with Koreans as vanguards". Again a communiqué dated July 11, 1931, which was issued by the Police Affairs Bureau of Liaoning (Fengtien) Province says: "Using Koreans as vanguards for encroachment on Manchuria and Mongolia, and inciting them to quarrel with our people at every opportunity, Japan is bent on making capital out of the trouble. In order to do away with the Japanese peril, it is of urgent necessity for us in the first place to expel the Koreans. Accordingly the Chief of the Bureau of Public Safety of each *hsien* shall instruct the heads of branch bureaus under him to acquaint the local population in general with the fact, so that those who are carrying on the cultivation of paddy fields jointly with Koreans, and those who are employing

Note:

The "Manchurian Development Party" referred to in this instruction is no more dangerous group of individuals than a party of Japanese businessmen who went to Manchuria and Mongolia on a tour of inspection of business conditions in these two regions. This instance is illustrative of the absurdity of recent Chinese suspicion of Japanese acts. Again "thievish purchases of our lands" referred to in the same instruction are acquisition of the right of lease of lands by Koreans by agreement with Chinese land-owners, which is within the just treaty right enjoyable by Koreans.

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Koreans or renting houses to Koreans, shall cancel their contracts with them at the end of the present year and compel them to withdraw. In this way the cause of future disasters shall be uprooted once for all". An order issued by the Bureau of Public Safety of Fuchow in accordance with the instruction just quoted says: "(1) Pressure shall at once be brought to bear upon the Koreans living in places under the jurisdiction of this office and they shall be made to withdraw at once. (2) Koreans travelling in places under the jurisdiction of this office shall all be arrested and brought to this office. (3) Persons who sell land, paddy fields, etc. to Koreans or engage them for the management of such property shall be liable to severe punishment".

§ 53.—Thus misconstruing the residence, travel and agricultural enterprise of Koreans as covert acts of aggression, the Chinese authorities endeavoured to expel them from Manchuria and Mongolia. The methods resorted to by them for doing so were various and manifold, so that it would be tedious to mention them one by one. But it was usual with them to order their withdrawal without reason, banish them under the pretext of having committed criminal offences or arbitrarily prohibit them from tenanting farms. Besides such direct methods of oppression, the Chinese authorities prohibited the Chinese owners of land and houses from transferring or letting them to Koreans, and prohibited or restricted Chinese landowners from entering into contracts with Korean tenants. Instructions issued by Provincial Governments in this connection are too numerous to enumerate (Note). In consequence, there occurred a great many cases of Korean farmers suffering more or less painful experiences.

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 Methods of Chinese oppression of Koreans

To mention the more noteworthy cases appearing in the three years from 1928 to 1930 inclusive, there were fifty cases of expulsion, ten of unjust taxation, sixty of the closure of Korean schools and fifteen of the prohibition of tenanting farms. As for minor cases of oppression suffered by Koreans, they are countless. At the same time cases of Koreans unjustly and unlawfully sustaining bodily injuries or loss of property at the hands of Chinese soldiers or police were also quite

Note: See p. 70

Note:

TABLE SHOWING THE NUMBER OF INSTRUCTIONS ISSUED BY
THE CHINESE AUTHORITIES WITH A VIEW TO PERSECUTING
KOREANS IN MANCHURIA BETWEEN 1928 AND 1931

Description of Instructions	National Govern- ment	Liaoning Provincial Govern- ment	Kirin Provincial Govern- ment	Heilung- kiang Provincial Govern- ment	Others	Total
General instructions	2	4	19	—	4	29
Concerning land	4	26	38	—	2	70
Concerning land and houses	2	2	1	—	—	5
Concerning houses alone	1	4	1	—	—	6
Concerning residence	1	20	13	2	—	36
Concerning residence and travel	1	—	3	—	—	4
Concerning education	6	8	12	—	1	27
Concerning religion	—	1	—	—	1	2
Concerning naturalization	5	6	17	1	—	29
Concerning community councils	1	—	2	—	—	3
Concerning agricultural enterprises	—	11	9	—	—	20
Concerning commercial enterprises	1	2	—	—	—	3
Ordinary control	2	8	21	—	—	31
Control of communists	—	8	16	—	3	27
Control of Korean outlaws	—	3	9	—	2	14
Protection and conciliation	1	6	7	—	2	16
Total	27	109	168	3	15	322

N.B. In the term "Others" are included the military authorities, the Government of the North-Eastern Provinces and the Commission of Political Affairs of the North-Eastern Provinces.

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numerous. For instance, in connection with the outbreak of communist uprisings in Chientao in 1931, about sixteen peaceful Koreans were murdered and ten injured by them, while there took place about 380 cases of looting. Again from the beginning of 1931 to the end of September in that year there arose fifty-seven cases of expulsion, six of unlawful arrest, four of obstruction of business of farming and seven of the oppression of Korean schools.

§ 54.—With regard to the oppression of Koreans by Chinese, some of the notable cases that took place during the two years of 1930 and 1931 are as follows:

54
Examples of Chinese oppression of Koreans

§ 55.—Since about 1925 Korean immigrants began to settle at Taolu in Fengtien Province, and taking on lease low-lying marshy lands from the Chinese owners, gradually converted them into paddy fields, the first of the kind to be seen in this district, and thereby obtained a means of livelihood. Their success attracted other Korean farmers to the district, until by 1930 they had established there thirty-five households.

55
A. Expulsion

They punctually paid their rent and were peacefully engaged in their occupation, when, seeing the large profit they were making, the Chinese landowners wanted to monopolize it by taking the paddy fields back from them. With this purpose they first arrived at an understanding with the local magistrate and then demanded from the Korean tenants the surrender of their holdings despite the term having not yet expired. When the Koreans refused to accede to their demand, police constables appeared with an order from the local magistrate for their immediate eviction. Persecuted thus both by their landlords and the police constables day after day, Koreans comprising fifteen households were at last obliged to evacuate the place.

In 1930 a similar case occurred in Kaiyuan-hsien, Fengtien Province, on a much larger scale. Unable to bear the oppression of the officials and to resist the persistent demands of the land-owners, 274 Korean farmers gave up the paddy fields, which they had brought under cultivation by many years' toil, and having thus been deprived

of their only means of livelihood, withdrew to Mukden in straitened circumstances.

Many more cases of the kind occurred in other places. In February, 1931, 30 Korean households, and in the following month 15 more, were obliged to withdraw from Tunghwa-hsien, in the Province of Fengtien; in the same month, 20 from Kuantien-hsien; 18 from Chinyuan-hsien; 15 from Linkiang-hsien; and 24 from Faku-hsien; in the preceding year, more than 60 had to depart from Yingkou-hsien; 10 from Kaiyuan-hsien; all in the same province: 17 from Tehwei-hsien; 210 from Hocheng-hsien; more than 100 from Kaoshantun; 21 households from Panshih-hsien, 12 from Changchun-hsien; 15 from Fuyu-hsien; 3 from Changling-hsien; in the Province of Kirin: 100 from Achin-kou; 50 households from Kiulichien; in the Province of Heilungkiang: and many more from other places.

The expulsion of Koreans which was carried out along the Sungari in the Province of Heilungkiang in the spring of 1930 was the largest in scale, more than 2,000 Korean farmers, forming more than 500 households, having been obliged to withdraw from the districts of Tung-hsing, Tanyuan, Tungho, Suitung, and Lopei. They had all the lands they had reclaimed and their houses wrested from them, and were left adrift practically penniless, the Chinese landowners remaining to enjoy the fruit of their many years' toilsome labour.

Besides the above-mentioned cases of oppression, the Chinese scheme to expel the Koreans from Manchuria and Mongolia by prohibiting them from working as tenant-farmers, ordering them to give up the land they took on lease, prohibiting or refusing them to rent houses and by other means, was put into effect at various places. In addition to these direct methods, the Chinese also resorted to various indirect methods to drive away Korean immigrants. For instance, on the expiry of the term of contract for the lease of land or houses, the Chinese owners demanded exorbitant rates of rent on the renewal of contract; or demanded from the Korean tenants outrageous charges for fertilizers or for the use of irrigation water; or by destroying water conduits made it impossible for the Korean farmers to irrigate their paddy fields. In some extreme cases, Chinese mobs led by police constables attacked Korean communities, or forcibly prevented the passage of Koreans. There were also cases in which harmless Koreans were arrested and imprisoned by

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Chinese police constables under one pretext or another. Among the last mentioned cases, one that occurred at a village in Hwaiteh-hsien in the Province of Fengtien in 1929, was the most notorious. A Korean, who had borrowed 32 dollars and a small quantity of unhulled rice from a Chinese, was unable to pay back the debt at the expiry of the term on account of poor crops. Thereupon the Chinese creditor took away his wife and niece as hostages and he and the rest of his family were put in prison.

Each time such a case was brought to their knowledge, the Japanese authorities promptly filed strong protests with the Chinese authorities but in most instances to no purpose.

§ 56.—In view of their drastic measures towards Koreans having been met with so vigorous protest on the part of the Japanese consular officers, the Chinese authorities endeavoured to avoid Japanese interference and thought it expedient to win the Koreans over to their side by various means. Accordingly they often issued instructions to the local authorities concerning methods to be employed in conciliating the Korean immigrants, and endeavoured on the other hand, to induce them to become naturalized Chinese. An instruction dated July 15, 1931, issued by the Provincial Government of Kirin to the local authorities serves as an illustration of this practice. A passage is found in the instruction: "According to an instruction received from the National Government, Japan is utilizing Koreans as vanguards of her encroachment on our territory. This act of hers is most repugnant to us, but it would present a difficult problem from the point of view of humanity and international good relations if we should take measures for their expulsion by assigning this as the reason. The National Government are of the opinion that it is more advisable to cause all Korean farmers in Manchuria to become naturalized in this country, so that the pending dispute between China and Japan concerning the right of jurisdiction over them may be solved once for all, and at the same time to assimilate them with a view to securing their co-operation with our people in the activities directed towards checking the aggressive influence of Japan. As is implied in the instruction from the National Government in question, we believe that the naturalization of the whole of the Korean

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 B. Compulsory
 naturalization

farmers in Manchuria will result in the fundamental solution of various complicated problems pending between China and Japan and will remove, at the same time, all causes of future friction between the two countries. Each *hsien* government is therefore requested to exert its efforts towards accelerating their assimilation as our fellow citizens”.

An instruction issued about the same time by the Provincial Government of Liaoning (Fengtien) also contains the following passage: “Koreans resident in various *hsiens* in this province who are really friendly to China, should be invited to become naturalized in this country and when the procedure thereanent has been completed it should be reported to the Provincial Government. Further, persons of ability should be selected from among the naturalized Koreans for nomination as members of District Committees, and these, being paid a salary up to the limit of 30 dollars *Taiyang* a month, should be employed for secretly spying out the movements of Japanese and Koreans”. In accordance with these instructions the local authorities demanded from Koreans that they should be naturalized, and if they refused, caused Chinese landowners to resume possession of the land leased to them, or incited local Chinese mobs to make demonstrations against them. If they still refused, the Chinese authorities resorted to acts of violence, imprisonment or banishment. In consequence not a few Koreans were obliged to become naturalized Chinese.

Prior to the annexation of Korea by Japan, Koreans were not permitted to become naturalized in another country. Since the annexation, Japan has continued to follow this policy out of respect for established usage as well as through the necessity of control. Accordingly though China may naturalize Koreans, Japan does not recognize their denaturalization, with the result that the problem of double nationality ensues, sowing the seeds of further disputes between the two countries. In addition, the object of China's invitation to Koreans to become naturalized is to make Japanese jurisdiction over them difficult, and, as may be inferred from the above-quoted instructions, results also in the employment of anti-Japanese Koreans in acts injurious to Japan. Not only is such an act on the part of China at variance with international courtesy, but it constitutes an augmentation of the causes of dispute between China and Japan. So much the more con-

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demnable is it, when one comes to realize that all this is carried out invariably by acts of coercion.

The Chinese have two other plans, which coincide in aim with coercion in respect of naturalization though they take a different form. One of these is oppressive action against Korean schools and the other is oppressive action against Korean community councils at various places.

§ 57.—Along with the increase of Korean immigrants in Manchuria, they found themselves confronted with the problem of the education of their children. Since most of them could not speak Chinese, besides being different from Chinese in sentiment as well as in customs and manners, and because until lately the Chinese did not permit Korean children to enter their schools, Korean children had been deprived of all opportunity to receive education. It is true in some places where Koreans had established comparatively large communities they set up educational institutions on a very small scale by their own efforts, but on account of the lack of funds and other obstacles they were far from being able to give their children what fulfil the requirements of school education in its proper sense. Meanwhile, zeal for the education of their children becoming more and more intense among the Koreans, they earnestly and unceasingly petitioned the Japanese authorities to establish schools for them. Now not only did the Chinese provide no educational equipment for Korean children, but as it is a common rule among foreigners resident in China to send their children to schools established by their respective Governments or community associations or by missionaries, the Japanese authorities, after coming to an understanding with the local Chinese authorities, established schools or subsidized private schools and took such other steps as the free distribution of text books and the despatch of teachers to remote places. In this way the Japanese authorities steadily completed an educational equipment in order to meet the desires of the Koreans, until at the end of 1930, when there were in existence at Antung, Mukden, Hsinminfu, Newchwang, Tunghwa, Hailung, Chientao, Chutzechieh, Toutaokou, Paitsaokou, Hunchun, Harbin and Tsitsihar, 311 schools of all sizes, attended by 21,645 Korean children. Meanwhile, as already stated, the Chinese began to regard Korean immigrants with suspicion and showed this

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 C. Oppression of
 Korean schools

sentiment in oppressive acts directed against Korean schools, the National Government and the authorities in Manchuria and Mongolia issuing many instructions with this object. For instance, the National Government issued under date of April 1, 1929, a direction to Chang Hsueh-liang, who was then the supreme authority in Manchuria and Mongolia, to "destroy the common schools and similar educational organs for Koreans under the control of the Japanese Government, as these schools teach Japanese and assist towards the realization of Japanese designs on Manchuria and Mongolia." In consequence, the oppression of Korean schools by the local Chinese authorities became accentuated. Fronting the orders of the Provincial Government, the local magistrates ordered the closure of the schools, forcibly removed sign-boards from their gates, re-organized them as Chinese common schools and coerced them into adopting anti-Japanese text-books. In some extreme cases they despatched police constables and volunteer corps to schools which had refused their demands, confiscated the furniture and supplies and took the teachers and pupils to police stations. Not satisfied with taking these high-handed measures, the Chinese authorities prevented the Koreans from sending their children to their own schools and even forced them to send them to Chinese schools.

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D. Oppression of
Korean community
councils

§ 58.—The Chinese oppression of Korean community councils must be mentioned next. The first of these public bodies was organized at Lungchingsun, Chientao, in 1911, and they steadily grew in number until there were thirty-six of them in 1931, half of them being in Chientao while the rest were elsewhere in other parts of Manchuria. It is their function to deal with various institutions established for the common benefit of Koreans such as matters concerning education, culture, religion and sanitation, assistance to the newly-immigrated, mediation in private disputes, matters connected with communications and mutual financial aid, investigations of various descriptions, the encouragement of good habits, etc., and they are entirely alike in character to similar public bodies organized by foreigners resident elsewhere in China. Nevertheless, regarding them as organs of Japanese aggression, the Chinese authorities subjected them to various forms of oppression. For instance, in 1921 the Provincial Government of Kirin directed the local

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authorities to suppress Korean community councils under their respective jurisdiction, repeating the order subsequently on several occasions, and prohibited their members from paying subscriptions to them or reporting to them for the purpose of registration. In 1922 the Provincial Governor of Kirin issued an order to the magistrate of Yenchi in charge of the administration of the district of Chientao, enjoining him to dissolve various associations of Korean farmers which existed in the localities under his jurisdiction and was considered to go contrary to his administrative policy, and to prohibit the organization of any such associations in the future. This, it goes without saying, is an unlawful order, as it disregards the right of extraterritoriality enjoyed by Koreans. Nevertheless when once it was issued the Chinese authorities never slackened their hand in the direct or indirect oppression of Korean community councils.

§ 59.—The motives and methods of oppression of Koreans being in broad outline as above-mentioned, the Japanese authorities frequently protested, or gave warnings, to the Chinese,—sometimes in a summary way and sometimes faking up individual cases, pointing out the treaty status of the Koreans, which as subjects of the Japanese Empire they justly enjoyed, and which completely entitled them to liberty of residence, travel and business and to the right of leasing land as provided for in the Sino-Japanese Treaty of 1915. Alleging that the treaty in question was invalid, however, the Chinese authorities refused to entertain the Japanese protests. Not only that, but over these Koreans whom they claimed as Chinese subjects, they insisted on exercising their jurisdiction, regardless of their incapacity to divest themselves of their Japanese nationality.

At some localities, thanks to the protests filed by the Japanese authorities, the Chinese mitigated their oppressive acts, but in most cases the stronger the Japanese protest, the heavier became the hand of Chinese oppression. Thereupon, the Japanese Government again asked the Chinese to reconsider and improve their attitude towards the Koreans, laying before them the above contentions based on treaty stipulations and, at the same time, pointing out the long history of Korean immigration to Manchuria, the services rendered by Korean immigrants

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Sino-Japanese
negotiations concerning the Korean problems

in the development of the region, etc. The Japanese Government reminded the Chinese of the fact that it was many years ago that Koreans had begun to settle and become a social and economic factor in Manchuria, that at first their special skill in the cultivation of rice was much appreciated by the Chinese, and that by mutual dependence they helped each other in promoting their common economic interests. Thus while the position occupied by Koreans was the fruit of their many years' labour, they had played no minor part in the agricultural development of Manchuria. From the viewpoint of humanity and reason alike it was, therefore, extremely unjust on the part of China to try to expel them from Manchuria, and Japan could not pass it by in indifference.

The Japanese Government further explained that they had no other desire than to see the Koreans assured of safety in residence and business and allowed to further their economic interests by their own labour, all the while contributing to the advancement of the welfare of the Chinese. They hoped that the Chinese authorities would not oppress them under the mistaken idea that they were vanguards of Japanese aggression.

In conclusion, the Japanese Government declared that they were prepared to deal with the problem of the Koreans fairly and justly, it being their policy that no Chinese should suffer losses or other inconvenience on account of the residence and pursuit of business among them by Koreans. In short, the Japanese Government tried as best as they could to induce the Chinese to discontinue their oppressive measures against Korean immigrants, but to no purpose. They met the Japanese contention with the sophistry that they had no intention of oppressing the Koreans and that the problem of the Koreans could be fundamentally solved if the Japanese Government permitted them to become naturalized in China, all the while never slackening their oppressive hand until 1931, when regrettable to say, the Wanpaoshan Affair broke out, a brief account of which follows:

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The Wanpaoshan
Affair

§ 60.—In 1931 Shim Son-tal, a Korean resident at Changchun, planned to undertake an agricultural enterprise on a large scale by reclaiming a marshy tract of land covering an area of 3,000 acres near Wanpaoshan, employing 305 Koreans, forming 38 households, who came to Changchun as fugitives from various places in Kirin Province where

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they had been oppressed by the Chinese authorities. Through the medium of a Chinese corporation, *Changnung-Shuitien-Kungssu*, he negotiated with the Chinese owners of the land and after coming to an understanding with the magistrate of Changchun-hsien as well as with the local authorities of the district, succeeded in entering into a contract with the Chinese corporation for tenanting the property, which the latter had leased from its owners.

In April the same year, Shim started his projected work, beginning with the opening of a conduit. Some of the landowners, who had agreed to the lease of their land, now wanted to get better terms and negotiated with him for a revision of the contract. Failing to attain this object, they instituted a movement against the Korean enterprise, appealing to the provincial authorities and inciting the local Chinese farmers, with the result that by the time work on the conduit was half completed, the local authorities ordered the Korean farmers to leave within three days, with the alternative that if they did not comply with the order they would be regarded as communists and visited with severe punishment. Upon the Koreans refusing to obey the order on the ground that it was unreasonable, the Chinese authorities again ordered them to leave at once. Meanwhile, apprised of the difficulty, the Japanese Consul at Changchun despatched some of his subordinate officials to open negotiations with the magistrate of Changchun-hsien, with the result that, on condition that the number of Koreans participating in the enterprise were restricted, the work would be permitted to be carried on. In spite of this agreement, about the end of May the Chinese authorities suddenly arrested three Chinese landowners, and despatched seven armed police constables to the scene, who put the Korean overseer of the work under arrest and inflicted injuries on two Koreans by beating them.

Desiring to settle the difficulty as peacefully as possible, the Japanese authorities again opened negotiations with the Chinese and succeeded in obtaining a verbal assurance that the Koreans would no longer be molested. In the meanwhile, as the sowing season approached and the work on the conduit could not be delayed, the Koreans employed a large number of Chinese coolies and with their help pushed on the work. Thereupon the Chinese again attempted to prevent it by force. On the last day of May, the chief of the Bureau of Public Safety at Changchun

led a party of 200 police constables including a number of mounted men to the scene and ordered the Koreans to stop the work. Upon the Koreans refusing to do so, he put ten leading men under arrest and came back to Changchun, leaving 50 men on the spot. On learning this the Japanese Consul at Changchun hurriedly despatched one police sergeant and five constables to the scene for the purpose of protecting the Korean farmers, as well as of getting into touch with the Chinese authorities and mediating between the Korean and Chinese farmers. In despatching them, the Japanese Consul specially took care that each member of the party should carry with him a passport issued by the Chinese authorities and counter-signed by himself and that all should wear plain clothes. Furthermore, in order to avoid any misunderstanding he previously informed the Chinese authorities of the duty with which they were charged. Notwithstanding this, the following day the Chinese rushed to the scene 50 mounted and 80 foot police constables under a leader, who declared that he would compel the Koreans to withdraw by whatever means. In the circumstances the state of things threatened to assume an ugly aspect but the situation improved soon after, the Japanese and Chinese authorities agreeing to send to the scene a joint commission of inquiry, though the Chinese continued to declare that they would compel the Koreans willynilly to give up their enterprise.

Finally on July 1, many Chinese farmers assembled near the scene, gradually increasing in number until there were 400 of them, and they began to destroy the work on the conduit. The Japanese authorities on the spot restrained the Koreans from offering resistance, and asked the Chinese authorities at Changchun to disperse the Chinese mob, but without avail. Thereupon the Japanese Consul at Changchun was obliged hastily to despatch nine policemen to the scene, and the latter did their best to curb the ardour of the Chinese mob, succeeding at last in making part of them withdraw.

The following day, however, 500 Chinese including fifty or sixty police constables armed with about twenty rifles and ten pistols again appeared on the scene and threatened violence. Upon Japanese policemen trying to prevent them from this, they opened fire on them, compelling them to return the fire and apply for reinforcements to the consular authorities, who despatched three mounted and ten armed

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policemen, at the same time informing the Chinese authorities of the critical situation and asking for their co-operation in averting unpleasant developments. The Chinese, however, continued to avoid taking any responsibility at all. The Chinese mob retired upon the arrival of our reinforcements on the scene, but, the situation still remaining threatening, more policemen were sent there until they numbered altogether 46. Conditions having subsequently returned to normal, and the Korean farmers, energetically pushing on the work on the dam and repairing the damaged conduit, having completed it all in time, our policemen withdrew from the spot.

§ 61.—The Chinese oppression of Koreans throughout Manchuria and Mongolia deprived its many victims of their means of livelihood, rousing their indignation to the highest pitch. In addition to this, the anti-Japanese agitation on the part of both the Chinese authorities and people, which had become more violent than ever since about 1930 and showed itself in repeated acts of violence at the expense of the Japanese during the following year, served to intensify Japanese resentment against the Chinese.

61
 Indignation of
 Japanese and Ko-
 reans rising to a
 climax

To mention the more serious of these Chinese outrages, immediately before the occurrence of the Wanpaoshan Affair, namely on May 21, more than 100 Chinese police constables appeared at a Korean community near Penkiho and wrested from them their farms by force. On May 31, Chinese policemen assisted by a group of Chinese rioters did violent damage to a Japanese motor lorry at Mukden. On June 1, officials of the local Bureau of Public Safety obstructed the work of Japanese at a lime pit at Penkiho. On June 2, Chinese police constables and mob committed an outrage on a Japanese taxi-driver at Harbin. On June 4, members of the local Chinese police staff assaulted a Japanese policeman at a village near Tashihchiao, and the same day Chinese police constables obstructed work on an embankment at a farm managed by a Japanese corporation at Tungliao.

In all these outrages, Chinese police constables participated, and not only did they fail to control the rioters, but they helped them to make matters worse and even instigated trouble themselves. From all these occurrences it was quite plain that the Chinese were resolved to

deal with questions connected with Japanese by no peaceful diplomatic negotiations but in most cases quite arbitrarily and even resorting to force. Naturally the feeling of Japanese and Koreans in Manchuria against the Chinese ran extremely high, while public opinion at home also stiffened to a considerable extent.

62
Japanese warn-
ings fruitless

§ 62.—It was at this juncture that the Wanpaoshan Affair broke out, further aggravating Japanese resentment against the Chinese, and making the situation critical. Thereupon the Japanese authorities repeatedly warned the Chinese that unless they speedily amended their ways, they would be compelled to pursue the course they believed to be right and take appropriate measures in consequence, which might eventually bring about a situation of a very grave nature. Unfortunately these warnings bore practically no fruit.

II. RIGHTS AND INTERESTS OF JAPAN UNDER THE SINO-JAPANESE TREATY OF 1915 AND REFUSAL OF CHINA TO RECOGNIZE THEM*

63
Provisions of the
treaty of 1915

§ 63.—The rights and interest created in favour of Japan by China, in the Sino-Japanese Treaty of 1915 were—(1) an extension of the term of the lease of Port Arthur and Dairen and of the term relating to the South Manchuria Railway and to the Antung-Mukden Railway, (2) the right for Japanese to lease land in South Manchuria and the right for them to undertake agricultural enterprises jointly with Chinese in Eastern Inner Mongolia, (3) the liberty for Japanese to enter into, and to reside and travel in, South Manchuria and to carry on business of various kinds there, (4) the opening by China of suitable cities and towns in Eastern Inner Mongolia for the residence and trade of foreigners, (5) a promise to revise various agreements and contracts concerning the Kirin-Changchun Railway, (6) the right of prospecting and working certain mines, (7) a preferential right of furnishing railway loans in South Manchuria and Eastern Inner Mongolia and (8)

* *Vide* Appendix A-4, "Present Condition and Validity of the So-called Twenty-one Demands".

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a preferential right relating to the employment of foreign advisers and instructors on political, financial, military and police affairs in South Manchuria. Now the Chinese attitude with regard to the treaty has undergone a remarkable change since the time of its conclusion.

§ 64.—At first China raised no objection whatever concerning its validity. In fact, in August, 1915, the Chinese Government communicated to the Japanese Government for their approval police and tax regulations to be applicable to leaseholders in accordance with the provisions of the treaty. In that year and the next with regard to the validity of the Agreement concerning Chientao of 1909, the Chinese Government advanced an explicit contention that the treaty of 1915 should be applied throughout South Manchuria and Eastern Inner Mongolia, with the exception of Chientao, where the Agreement concerning Chientao should be applied. Furthermore, in 1917 the Chinese Government took no exception to revision being made "in accordance with Article VII of the Treaty respecting South Manchuria and Eastern Inner Mongolia" of the agreements and contracts with the South Manchuria Railway Company concerning the Kirin-Changchun Railway. From these facts it is evident that at first the Chinese Government had no objection whatever to the conclusion of the treaty of 1915; though they issued, as will be explained in the following paragraphs, various ordinances and secret instructions with a view to making the enforcement of the treaty as difficult as possible. But about the time that the Washington Conference was held, the Chinese Government began to assert the invalidity of the treaty on the ground that it was concluded under duress, and frequently sent notes to the Japanese Government to that effect. As, however, the treaty cannot be invalid, as explained in Chapter VIII, Part I of "The Present Condition of China", Japan firmly maintained the opposite views, and at the Washington Conference Baron Shidehara, the Japanese representative, declared: "If it should once be recognized that rights solemnly granted by treaty may be revoked at any time on the ground that they were conceded against the spontaneous will of the grantor, an exceedingly dangerous precedent will be established, with far-reaching consequences upon the stability of the existing international relations in Asia, in Europe and elsewhere." Nevertheless not only did the Chinese Govern-

64
 Change of Chinese
 attitude with re-
 gard to the treaty

ment continue to assert the invalidity of the treaty, but they attempted by various covert acts to invalidate the rights and interests recognized in the treaty, and took direct and indirect measures to repudiate them. One cannot regard the Chinese contention in this question as a mere matter of raising a juridical argument, because it bears a very serious significance on international relationship in that China adopts the repudiation of treaties as a means of achieving anti-foreign objects. China has frequently carried out in the past agitations against Great Britain, America and other nations, and is now carrying them on against Japan. How subtle and stubborn are the methods she employs is explained in "The Present Condition of China". If a State recognised as a member of the comity of nations may, for its own advantage, treat another nation like an enemy and trample with immunity on its rights, all existing international agreements and order must fundamentally be altered. This is a problem of a pressingly serious character.

65
Actual condition
of the provisions
of the treaty of
1915

§ 65.—The provisions of the Sino-Japanese Treaty of 1915 are as recited at the beginning of this section. Of these, some have already been carried out, some voluntarily dropped by Japan and some fulfilled by China, though never quite satisfactorily. Accordingly what remain now to be discussed here are only a few items. To be particular, Japan's preferential rights mentioned under (7) and (8) were dropped of her own accord by Japan on the occasion of the Washington Conference; the agreement concerning the opening up of cities and towns mentioned under (4) was put into execution to a certain extent, though in an unsatisfactory manner; and the promise to revise the agreements and contracts concerning the Kirin-Changchun Railway mentioned under (5) has already been fulfilled by the conclusion of a new agreement effected in 1917 between the Chinese Government and the South Manchuria Railway Company. As for the extension of the term of lease of Port Arthur and Dairen, the Chinese Government proposed its rescission in 1923 when the original term of lease as stipulated in the Russo-Chinese Convention of 1898 would have expired, and being met with a categorical refusal to entertain such an utterly groundless proposal, they made use of the occasion to instigate another anti-Japanese agitation. With regard to the term concerning the South Manchuria Railway, it

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does not as yet constitute a concrete question, because the term fixed in the original treaty is still running. Such being the case, Japan's rights and interests established by the treaty and China's infringement of them, which have elicited disputes between the two countries are confined to the right to lease land and the right to engage in undertakings in agriculture and auxiliary industries jointly with Chinese mentioned under (2); the liberty of residence, travel and pursuit of business by Japanese mentioned under (3); and the right of Japanese to work mines mentioned under (6).

An account of the contents of these problems and China's unlawful attitude towards them will now be given.

1. *Liberty to Enter, Travel and Reside in South Manchuria
 and to Carry on Business of Various Kinds and
 Chinese Obstruction in These Regards*

§ 66.—Article III of the Sino-Japanese Treaty of 1915 provides: "The subjects of Japan shall have liberty to enter, travel and reside in South Manchuria and to carry on business of various kinds—commercial, industrial and otherwise." Thus the right of residence, travel and pursuit of business by Japanese subjects anywhere in South Manchuria, no matter whether in an open port or outside its limits, is recognized by the treaty, though the right in open ports differs from that in other places in certain points. That is to say, while in the former places the Japanese need not carry passports, when travelling in the latter localities they must present their passports to the local Chinese authorities for registration, and while in the former foreigners are under no obligation to submit to Chinese jurisdiction except in matters specifically provided for by treaty, in the latter in accordance with the pertinent provisions contained in the treaty of 1915 they are under obligation to comply with such police regulations and taxation, as may have been agreed upon between the Japanese and Chinese authorities. It is needless to say that this provision is applicable to all Japanese subjects (Note) without

66
 Treaty provisions
 with respect to
 travel, residence,
 etc.

Note:

At the Washington Conference Mr. Hughes, the American Representative, declared in his statement regarding the Sino-Japanese Treaty of 1915:

"With respect of this grant (accorded to Japan by virtue of Articles

discrimination between natives of Japan Proper and Koreans. But past experience shows that Chinese infringements of the above-mentioned liberty were in the first instance committed at the expense of Koreans and were gradually extended to other Japanese subjects. As for the methods adopted, they gradually developed from those of comparatively mild form into others of a sterner nature, the same tendency being also observable in the matter of Chinese infringements of the right to lease land and various other rights. How ruthless and inhuman was the Chinese oppression of Koreans has already been described at the beginning of the present chapter.

67
Chinese methods
of oppression

§ 67.—This Chinese oppression in regard to residence and pursuit of business was by no means confined to Koreans, but for the reason that not only do the Koreans living in Manchuria far exceed the Japanese in number, but that most of them live in the interior out of sight of the Japanese authorities, they were the first to be made victims of the oppressive measures of the Chinese authorities. In recent times, however, Japanese have also very frequently been subjected to similar oppression. For instance, the Chinese local authorities refused to issue passports to them despite their obligation to do so in accordance with treaty provisions, or they inserted in their passports remarks and additions unlawfully restricting the sphere of their travel. Sometimes they unlawfully kept indirect watch over the journeys of Japanese or caused innkeepers to refuse accommodation to them. At other times the Chinese authorities caused Chinese owners of houses to compel Japanese tenants to evacuate them, or forbade them to conclude or renew contracts for rent with them. For example, in July, 1927, the Governor of Kirin Province issued an instruction to the district magistrates under him stating as follows:—(1) the letting to Japanese of houses owned by private individuals in places other than open ports shall hereafter be absolutely prohibited and (2) possession of the houses

II, III and IV of the Treaty) the Government of the United States will, of course, regard it as not intended to be exclusive, and, as in the past, will claim from the Chinese Government for American citizens the benefits accruing to them by virtue of the most-favoured-nation clauses in the treaties between the United States and China."

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already let to Japanese shall be resumed at the expiry of the term of contract and no renewal of the contract shall be permitted. In January of the following year, the Governor of Fengtien Province issued an order to the magistrate of Antung-hsien stating:—"As disputes frequently arise concerning contracts for the letting of houses to Japanese resident in various *hsiens* along the eastern frontier, the term of contracts for the letting of houses or land to Japanese shall be limited to one year and on the occasion of the conclusion of such contracts their owners shall obtain the permission of the competent government authorities." In April, 1928, the magistrate of Tunhua *hsien*, in the Province of Kirin, proclaimed by an official notice that no foreigners unprovided with a passport should be permitted to make a long sojourn and that no foreigner, even though carrying a passport, should be permitted to live for a long time or to engage in business in places outside the open ports.

§ 68.—Cases in which such ordinances or instructions were put into effect were not few, occurring more frequently since 1928. To give a few notable examples: at the beginning of March the same year, the local authorities of Taonan-fu, in the Province of Fengtien, summoned to the police office the Chinese house-owners or their agents, who had let houses to Japanese, and subjected them to examination. Among them, a Chinese in whose house a Japanese tenant had been carrying on hôtel business under the name of *Tatung Lükuan* for many years, was detained at the police office and was coerced into cancelling the contract for letting the house to the Japanese, with the result that the latter was obliged to give up his business and leave the town. At Tunhua, in the Province of Kirin, where Japanese residents had been increasing in number month after month after the opening to traffic of the railway between that town and Kirin, the local authorities openly took oppressive measures against them. Among other measures, they caused an anti-Japanese mass meeting to be held, at which a resolution was passed that no house should be let to Japanese. The following day the authorities put under detention all the Chinese who had let their houses to Japanese, and after keeping them in police cells for several days, released them on condition that they would oust the Japanese occupants from

68
 A few notable examples

their houses and in default of which they would be severely punished. In consequence many Japanese were obliged to leave the town. A similar difficulty also occurred at Sansing in the same province, while at Fuchiatien, Harbin, the Chinese authorities first caused the Chinese owners of houses let to Japanese to demand of them an exorbitant increase in the rent, and then police constables made domiciliary visits, authoritatively demanding that the Japanese and Korean tenants should evacuate the houses. Such cases appeared everywhere along the southern section of the Chinese Eastern Railway. This kind of Chinese oppression suddenly becoming aggravated since 1928, up to the time of the outbreak of the Manchurian Incident, the Japanese and Chinese became very much estranged in feeling.

2. *The Right of Leasing Land and the Chinese*

Obstruction Thereto

69
The substance of
the right of leasing
land

§ 69.—Article II of the Sino-Japanese Treaty of 1915 provides: “The subjects of Japan shall be permitted in South Manchuria to lease land necessary either for erecting buildings for various commercial and industrial uses or for agricultural purposes,” while it is stated in the notes exchanged in connection with the said treaty: “The term ‘lease’ mentioned in Article II of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day includes leases for a long term up to thirty years and unconditionally renewable.” Again it is provided in Article V of the same treaty that “With respect to the three preceding Articles (here reference is made to the right of lease), the subjects of Japan . . . shall also submit themselves to the police laws and regulations and to the taxes of China,” while it is stipulated in the notes exchanged that “in regard to the police laws and regulations and taxation, to which Japanese subjects are to submit according to the stipulations of Article V of the Treaty respecting South Manchuria and Eastern Inner Mongolia, signed this day, the Chinese authorities should consult the Japanese consular officer before they are carried into effect.”

70
Chinese scheme to
annul the treaty

§ 70.—At first the Chinese authorities did not venture to take up an attitude of denying the validity of the treaty, but schemed to make

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it ineffective by resorting to various expedients. Soon after the conclusion of the treaty, namely on June 22, 1915, they promulgated a Presidential Mandate entitled "Regulations for the Punishment of Traitors". In Article I of these regulations it is provided: "A citizen of this country who, in conspiracy with a foreigner, has committed an act of treachery shall be regarded as a traitor and be punished as such," and in Article II it is further provided: "A person who has secretly entered into a contract with a foreigner and has thereby compromised the sovereignty of the State and a person who, in conspiracy with a foreigner, has committed any other act injurious to the interest of the State shall be punished as a traitor." Further in Article III it is provided: "A traitor who has committed an act of treachery shall be sentenced to death and his accomplice shall also be awarded the same punishment. A person who knowingly has sheltered him shall be sentenced to penal servitude for life or penal servitude of the first category." Though these regulations do not contain any explicit provision declaring a person who leases his land to a foreigner to be a traitor there is no doubt that the Chinese authorities regarded such a person as one who compromised the sovereignty of the State or committed an act injurious to the interest of the State. This is quite plain from a passage in a written application for instructions sent by the local Public Procurator's Office at Antung to the Higher Public Procurator's Office at Mukden in 1919, which said: "Since the treaty permitting the lease of land came into effect, shameless persons at various places have been found to have thievishly sold land to foreigners under the pretext of lease or to have made profits by engaging in land brokerage in conspiracy with foreigners. It is a matter for great regret that besides the loss of land to the State and the injury to the rights of the State, every time such an affair occurs trouble follows in its train."

About the same time as the promulgation of the Presidential Mandate, the Chinese Government enacted a series of rules consisting of fourteen articles entitled "Principles to be Observed in Dealing with the Question of the Lease of Land" and, attaching to each article a detailed commentary, distributed it among the local authorities to be consulted as furnishing guidance in the matter. In July, 1915, they communicated these rules to the Japanese Consul-General at Mukden and requested that they be applied to Japanese. These rules and the commentaries

thereon, which are of great length, have as their fundamental aim a one-sided restriction on leasing and are of an extremely unreasonable character. Not only that, but the Chinese request for their application to Japanese must be considered as an act of extreme discourtesy and unreason. Full particulars as to the points in which these rules violate the treaty and in what way they aim at altering the substance of the right of lease are not given here, but only one or two examples will be mentioned; the assertion that "the lease of land does not cover the mortgage or sale of land, but entitles its holder to only two descriptions of rights, i.e. exploitation and utilization" apparently originates in an intention to prohibit the free alienation of leases, which are a class of property rights in land, and it is therefore contrary to the spirit of the treaty. Again the rules contain a provision to the effect that "the maximum term of a lease shall be thirty years and upon its expiry in case the landlord is not desirous of renewing the lease he is at liberty to cancel it," but this provision is obviously intended to render ineffective the provision for unconditional renewal of leases contained in the notes exchanged. Furthermore, these rules, besides being extremely unsatisfactory from the point of view of form, were considered to be inapplicable as they proceeded on the presumption that they contained nothing which was at variance with the purport of the treaty concerning lease. Accordingly the Japanese Consul-General declined to accede to the above-mentioned Chinese request.

71
China's repudiation of the treaty

§ 71.—Subsequently China changed her attitude. Hitherto she had tried to make the conclusion of contracts of lease impossible by giving secret instructions to authorities or putting pressure upon Chinese landowners. She now went a step further and asserted the invalidity of the treaty, but meeting with strong opposition from Japan and having failed to secure approval for her contention in this respect at the Washington Conference, she began to scheme for the attainment of her aim by stimulating at various places violent boycott movements against Japanese goods with a view to inflicting thereby an economic blow upon Japan. Of course Japan could not fall in with such an unreasonable contention nor could she be intimidated by such an outrageous challenge; she accordingly refused categorically to surrender her important rights and interests in Manchuria and Mongolia.

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§ 72.—Seeing the impossibility of attaining her aim in a short time, China now endeavoured to make the treaty of 1915 ineffective by entering into a new agreement with Japan. In 1922 the Governor of Fengtien Province approached the Japanese Consul-General at Mukden with a proposal to open negotiations concerning the question of lease. It was then suggested that, setting aside for the time being the existing treaty between the two countries, provisional regulations concerning leases of land for application to the Province of Fengtien only should tentatively be agreed upon, which regulations, in case they should have proved to operate satisfactorily in the said province, should subsequently be enforced in the Province of Kirin. He also expressed his desire to discuss at the same time the questions of police regulations and taxation. The Japanese Government considered this proposal to be at variance with the provisions of the existing treaty in that it aimed at a restriction of the area of application of the right of lease, and also did not consider it necessary to enter into any local agreement theoretically independent of the existing treaty. Nevertheless, concluding upon further consideration that if China really wished to terminate her quarrels with us and cooperate for mutual advantage, it would be desirable to come to terms with the Chinese authorities for the sake of the friendly relations between the two countries and the peace of the Far East, the Japanese Government decided to respond to the Chinese overture. Accordingly in January, 1924, the Japanese Government replied that they were ready to open negotiations with the Chinese authorities on condition, as China proposed, that any agreement concerning the question of the lease of land that might be concluded as the result of the negotiations should first be applied to the Province of Fengtien only, and if it proved satisfactory, it would be extended to other provinces. At the same time Japan requested China to give adequate guarantee with regard to the liberty of residence, travel and pursuit of business by Japanese subjects resident in the Province of Fengtien. As for the question of police regulations, they expressed themselves to the effect that (1) they would only recognize the police regulations which were in force in China and were applied to the citizens of China (provisions concerning judicial trials and rules restricting residence and business excepted), and (2) they suggested the reformation of police organization. With regard to taxation they declared (1)

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Negotiations in
1922 concerning
the question of
lease

that they would only recognize such taxes as were being paid by Chinese, and (2) that negotiations should be opened between the Japanese and Chinese authorities concerning the enforcement of taxation on Japanese subjects.

To these proposals, the Chinese Government responded with extremely unreasonable counter-proposals, which were:—(1) The areas in which the right of leasing land is effective should be confined to the *hsiens* along the South Manchuria Railway, (2) the term of lease should range between one and five years and no right of renewal should be recognized, (3) all Chinese police regulations should be applied to all Japanese subjects resident in the Province of Fengtien, (4) the right of extraterritorial jurisdiction should immediately be abolished and (5) all Japanese subjects resident in Fengtien Province should come under Chinese taxation. Not only were these claims of the Chinese contrary to the spirit of the treaty of 1915, but those which concerned police regulations and taxation had as their aim the annulment of the right of extraterritoriality enjoyed by Japanese in China and were widely different from the Japanese proposals. The Japanese Government therefore announced their inability to accept such unreasonable proposals, but China insisted on their standpoint evincing no spirit of accommodation. As the result the negotiations came to a deadlock, and later they were dropped, on account of the outbreak of fighting between the Chihli and Mukden military factions.

73
Chinese methods
of obstructing
leases of land

§ 73.—It is evident that from the beginning the Chinese authorities had no intention of settling the important questions at issue between Japan and China by the above-mentioned negotiations. On the contrary they intrigued in order to make Japan abandon the right of lease of land and the right of extraterritoriality by annoying her through the anti-Japanese movements, which they had incited. This is obvious from the fact that while the negotiations were in progress—to be precise, in May, 1924, the Provincial Assembly of Fengtien passed a resolution that the right of leasing land by foreigners in the Three Eastern Provinces should be annulled at all costs. On the other hand, the Chinese authorities took various measures to obstruct the exercise of the right of lease. Among other steps they (1) prohibited the leasing of land by the

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enactment of penal laws and administrative orders; or (2) restricted the substance of leases by imposing upon instruments of lease the limitation of certain fixed forms, or (3) made the leasing of land difficult by enacting provisions requiring the payment of taxes in advance, or making the obtaining of official permission a necessary condition. In addition to such obstructive measures, they resorted to such indirect preventive steps as the prohibition of taking loans from foreigners on mortgage of land and the prohibition of the sale of State-owned land to foreigners. Ordinances and instructions issued in this connection were many in number, the latest example of these being what is called the "Law for the Punishment of Fraudulent Sale of Land" promulgated in May, 1931, by the Provincial Government of Liaoning (Fengtien) (Note).

Note:

LAW FOR THE PUNISHMENT OF FRAUDULENT
SALE OF LAND.

Article I. Any person who shall have leased Chinese land to a foreigner shall be liable to penal servitude for a term of five years if the land in question is between one and five *mu* in area and the said land shall be confiscated. Any person who shall have sold land to a foreigners shall be liable to penal servitude for a term of ten years if the land in question is between one and five *mu* in area, and his property shall be confiscated, so that with the proceeds of its sale the said land may be bought back.

Article II. Any person who shall have leased Chinese land to a foreigner shall be liable to penal servitude for a term of ten years if the land in question is between five and ten *mu* in area and the said land shall be confiscated. Any person who shall have sold land to a foreigner shall be liable to penal servitude for a term of twenty years if the land in question is between five and ten *mu* in area and his property shall be confiscated, so that with the proceeds of its sale the said land may be bought back.

Article III. Any person who shall have leased Chinese land to a foreigner shall be liable to penal servitude for a term of twenty years if the land in question is between ten and twenty *mu* in area and the said land shall be confiscated. Any person who shall have sold land to a foreigner shall be liable to penal servitude for a term of forty years if the land in question is between ten and twenty *mu* in area and his property shall be confiscated, so that with the proceeds of its sale the said land may be bought back.

Article IV. Any person who shall have leased or sold Chinese land to a foreigner shall be liable to penal servitude for life if the land in question is between twenty and fifty *mu* in area and the said land shall be confiscated, but his other property shall not be confiscated.

Article V. Any person who shall have leased or sold Chinese land to a foreigner shall be sentenced to death if the land in question is between fifty

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Measures of ob-
struction to the
leasing of land

§ 74.—In carrying out their obstruction to the leasing of land by Japanese, it was usual with the Chinese authorities to exercise pressure on the Chinese taking part in the transaction and they often put obstruction directly or indirectly in the way of the acquisition or exercise of such rights by Japanese. For instance, they imprisoned Chinese inn-keepers who gave accommodation to them, sent police constables to shadow them, and incited local mobs to violence against them. Examples of these measures took place on many occasions, but the most conspicuous was the case of oppression at a farm managed by a Japanese at Peiling, Mukden.

The site of this farm was formerly the property of a Chinese temple, which was lawfully leased from its owner by a Japanese Sakakibara by name, a long time ago, and occupies a large area outside the city wall of Mukden. In utter disregard of the rights possessed by the Japanese the Chinese authorities erected factories and school buildings on a section of the land, made plans for buildings in another section, letting or selling lots to Chinese merchants and they laid out golf links in yet another. Thus expropriated of the greater part of the land, the Japanese was obliged to reclaim the low-lying part of the property and was carrying on the cultivation of rice, employing Korean farmers for the purpose. The Chinese authorities now attempted to wrest from him the paddy fields as well and on several occasions after 1924 despatched soldiers or police constables with orders to the Korean tenants to withdraw, and when they refused they subjected them to violence.

and one hundred *mu* in area and the said land shall be confiscated, but his other property shall not be confiscated.

Article VI. Any person who shall have leased or sold Chinese land to a foreigner shall be sentenced to death if the land in question is between 100 and 200 *mu*, and any person who shall have introduced him to the foreigner shall be liable to penal servitude for a term of five years.

Article VII. Any person who shall have leased or sold Chinese land to a foreigner shall be sentenced to death if the land in question is between 200 and 500 *mu* in area and any person who shall have introduced him to the foreigner shall be liable to penal servitude for a term not less than ten and not more than thirty years.

Article VIII. Any person who shall have leased or sold Chinese land to a foreigner shall be sentenced to death if the land in question is between 500 and 1,000 *mu* in area, and any person who shall have introduced him to the foreigner shall be liable to penal servitude for life.

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Furthermore in 1925 the Chinese authorities laid a special railway line along this site from the Chinese railway station of Mukden, connecting it with a factory belonging to the North-Eastern University, which had previously been erected also on the site in question. This outrage on the part of the Chinese authorities finally obliged the Japanese authorities to open negotiations with them, the Japanese demanding the removal of the line and the payment of compensation for the damage thus occasioned, but the Chinese turned a deaf ear to all these demands.

As may be inferred from the above example, the Chinese obstruction to the leasing of land by Japanese was really of a thorough-going description: no device was left untried and no stone unturned. Usually it began with secret instructions to the local authorities, followed by the open enactment of obstructive laws and ordinances; or else it started with the oppression of Koreans, followed by the oppression of Japanese; or they were first advised to withdraw and then compelled to do so by force. At the same time, the stronger the protests made by the Japanese against such lawlessness, the more violent and obtrusive became the Chinese acts of obstruction. Suppose a man was robbed by a ruffian of some of his possession and when he protested and asked for its return, the ruffian went further and robbed him of the rest of his possessions. Would a man subjected to such outrage remain calm and unprovoked? The recent attitude of China towards our rights and interests was exactly that of such a ruffian. It is no wonder that public opinion in Japan against it was roused to fever point.

§ 75.—The unlawful obstruction by the Chinese authorities to the leasing of land became more obtrusive and systematic after Manchuria and Mongolia came under the influence of the Nanking Government in 1928, and since that time their so-called revolutionary diplomacy was expressed in a far more violent form than anything ever seen during the time when the Changs were alone to be reckoned with in the two regions. For various reasons the anti-Japanese movement in the two regions under Chang Tso-lin and Chang Hsueh-liang was somewhat subdued, but after the responsibility for diplomatic affairs in the two regions was transferred from the hands of the Changs to Nanking in 1928, it was quite natural that the anti-Japanese attitude of the local authorities should

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Chinese obstruction became more obtrusive after the North and South came to terms

have become, as it did, more aggressive, because they were now possessed of excuses in the policy of Nanking for any anti-Japanese measures they might take. This was all the more natural as radical anti-foreignism is one of the basic principles of the National Government's policy. As for the attitude of that Government towards the question of the right of leasing land, it is clearly ascertainable from the following quotation from an instruction issued by the National Government to the Provincial Government of Liaoning (Fengtien) :

- "1. Japanese desire to acquire land has its origin in Japan's ambition for the absorption of the Eastern Provinces. You are instructed secretly to inform and warn the people of it within your jurisdiction of this fact.
- "2. No persons in the Eastern Provinces shall sell land to a foreigner without obtaining permission from the authorities.
- "3. No persons in the Eastern Provinces shall secretly associate with foreigners with a view to the sale of land without obtaining permission from the authorities.
- "4. Any person who shall have violated the provisions of the preceding articles shall be punished with death.
- "5. The local authorities are held responsible for exercising surveillance over people and prohibiting them from secretly associating with foreigners for the purpose of selling land to them.
- "6. The authorities of each administrative section of the province shall have special inspectors who will be responsible for exercising surveillance over the sale of land to foreigners.
- "7. If any person discovers another committing an unlawful act of selling land to foreigners, he shall apply to the local authorities for his punishment."

Again in January, 1929, the Provincial Government of Liaoning issued an instruction to the *hsien* magistrates throughout the province as follows: "Cases have often been reported of disputes arising from the sale of land by individuals to foreigners. As this is a matter that concerns the sovereignty of our country, we have frequently issued instructions and ordinances strictly prohibiting such transactions. Nevertheless there are still wicked people who audaciously infringe these injunctions. Accordingly for the purpose of protecting our land and securing respect for our sovereignty, the above-mentioned instruc-

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tions and ordinances are hereby again declared to be in force. If hereafter any person is found to have sold or mortgaged his land to a foreigner, the person in question, his guarantor and any person who has introduced him to the foreigner shall be severely punished. All official organs under this Government are hereby enjoined to make this known to the public." It may be added that instructions of this description were issued very frequently.

§ 76.—As time went on, unlawful action on the part of the Chinese for the obstruction of the rights of Japanese and Koreans concerning land in Manchuria and Mongolia occurred with great frequency. The Wanpaoshan Affair, of which particulars have already been given, was the most notorious example of the employment of force against Koreans. Other outrages committed by Chinese at the expense of Koreans are also related in outline in the preceding paragraphs. At the same time many cases of oppression of Japanese occurred also. For example, as was already stated, not only did the Chinese authorities ignore the protests of the Japanese authorities against the construction of a railway line across the Sakakibara farm, but in April, 1929, they established a new station on the line and opened a road to the station through the farm, thereby obstructing its use still further. Again in May, the same year, the Chinese police instigated mob of 150 men to attack a farm at Sikung-taipao near Mukden, which was managed by the Tôa Kangyô Kôshi (a Japanese corporation), as a result of which the farm was laid waste, one of the staff of the company was killed outright and several were injured.

76
Frequent repetition of unlawful steps for obstruction of leasing of land

3. *The Right of Japanese to Undertake Agricultural Enterprises
Jointly with Chinese in Eastern Inner Mongolia; and
Chinese Obstruction Thereto*

§ 77.—Article IV of the Sino-Japanese Treaty of 1915 provides: "The Government of China shall permit joint undertakings, in Eastern Inner Mongolia, of the subjects of Japan and citizens of China, in agriculture and industries auxiliary thereto." Article V provides, as

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Right of joint agricultural enterprise in Eastern Inner Mongolia

in the case of the right to lease land, for observance of Chinese police laws and regulations and payment of taxes by those who enjoy rights under Article IV. Aside from the fact that this right is different in substance from the right of leasing land, it is also different from it in that while the latter comes into existence immediately after negotiations with Chinese landowners are concluded, the former has to be approved by the Chinese authorities after the joint undertaking with Chinese has been contracted for. But it is quite evident from the above quoted text of the provisions that the approval in question is no more than a formal procedure for the establishment of the right and the Chinese authorities are to give it immediately after they have ascertained the existence of the contract. Notwithstanding this, the Chinese authorities, asserting that the said provisions in respect of procedure confer on them a right to decide whether to give or withhold their approval, often refused approval under one excuse or another to such applications for joint undertakings or coerced the Chinese party to cancel contract of the kind by exercising pressure on him.

4. *Obstruction of the Mining Rights of Japanese*

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The substance of
the mining right
of Japanese in
Manchuria and
Mongolia

§ 78.—The mining rights possessed by Japanese in Manchuria are not confined to those provided for in the treaty of 1915. It may not be strictly appropriate, therefore, to refer to them in the present chapter, in which Chinese infringements of the treaty of 1915 are dealt with, but for convenience' sake these rights and the Chinese obstruction put in the way of their exercise will be considered here.

The mining rights possessed by Japanese in Manchuria are of three kinds. The rights of the first kind are those created by the "Agreement concerning Mines and Railways in Manchuria" concluded in 1909 and may be subdivided into two categories, i.e., the right of working the coal mines at Fushun and Yentai, and the right of working, jointly with Chinese, certain mines along the Antung-Mukden Railway and the main line of the South Manchuria Railway. With regard to the former, it was provided by the "Detailed Regulations for the Fushun and Yentai Mines" of 1911, that the right of operating

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the mine be granted to the South Manchuria Railway Company and that the company should pay no other taxes but the mining tax (1 *tael* per ton when the daily output is less than 3,000 tons, 1 *yen* per ton when it exceeds 3,000 tons, and no tax on coal consumed by the South Manchuria Railway Company up to 700 tons *per diem*), and the export duty (1 *mace* per ton) for the coal exported from a point of maritime navigation. The mining rights of the second description are those of prospecting and working, which were created in favour of Japanese by the notes exchanged relative to the treaty of 1915; and the names of the mines or those of the mining lots are mentioned in the said notes (Note). The mining rights of the third description are the rights already secured by Japanese by special permission of the Chinese Government in places other than those provided for in the above-mentioned treaties and agreements.

The Chinese obstruction to the exercise by Japanese of the mining rights of which they were possessed in Manchuria and Mongolia was, as was that to the Japanese right of leasing land, due of course to the fundamental policy of China which had for its aim the destruction of Japanese rights and interests in these two regions. Like other cases of infringement of our rights and interests it became especially outrageous after 1928, and as usual she attempted to effect it by issuing laws and regulations at variance with treaties.

Note:

Mines, the prospecting or working of which was permitted to Japanese by virtue of the Treaty of 1915, are as follows:

1. Province of Fengtien		
Locality	District	Mineral
Niuhsintai	Penhsi	Coal
Tienshihfukou	"	"
Shansungkang	Hailung	"
Tiehchang	Tunghua	"
Nuanchihtang	Chin	"
Anshanchan region	From Liaoyang to Penhsi	Iron
2. Province of Kirin		
Shansungkang	Holung	Coal and iron
Kang-yao	Kirin	Coal
Chiapikou	Huatien	Gold

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Chinese laws and
regulations ob-
structing mining
rights of Japa-
nese

§ 79.—In dealing with this subject, the numerous provisions contained in the mining laws and regulations, issued by the National Government which are at variance with treaty, must be pointed out to begin with. But this being a question that covers the whole of China, it might be out of place to dwell at length on the subject here. Consequently the discussion will be confined to the consideration of some of the Chinese laws and regulations that obstruct the exercise of Japanese mining rights in Manchuria and Mongolia.

An example in point is the instruction issued to the local authorities by the Department of Industry of the Nanking Government in December, 1927, which says: "Persons engaged in mining enterprises are not permitted to organize joint-stock companies by obtaining loans or raising capital from foreigners. In case any of them is found to have acted contrary to the preceding provisions, the mining rights in his possession shall be annulled and the offender shall be liable to a fine of not less than 1,000 and not more than 10,000 dollars." Another example: the Provincial Government of Liaoning (Fengtien) also promulgated under date of May 22, 1929, "Provisional Regulations for Mining Minerals of the Third Category*" which contain provisions prohibiting Chinese applicants for leave to prospect at mines from undertaking mining enterprises jointly with foreigners and from raising foreign capital on the security of mines. They also enjoined the magistrates of the *hsiens* under their jurisdiction to enforce the provisions with great strictness. Again in the "Provisional Regulations for the Examination of Mining Permits" promulgated under date of September 6, the same year, the same Government provided that "Any person found to be in conspiracy with a foreigner may be dealt with as one who has committed the offence of selling land to a foreigner." Such secret orders were issued very frequently by the Governments of the North-Eastern Provinces, more particularly by that of the Province of Liaoning. In substance they were identical in prohibiting the undertaking of mining enterprises by Chinese jointly with foreigners or with foreign capital and in enjoining the local authorities to strive for the recovery of rights as well as in providing punishment for offenders from penal servitude for life to a fine according to the degree of the offence committed.

* Lime, etc.

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§ 80.—The methods resorted to by the Chinese authorities for the obstruction of Japanese mining rights were of two kinds, direct and indirect. The direct method consisted chiefly in refusal to grant permission to Japanese applying for leave to work mines on their own account or to Japanese and Chinese applying for permission to carry on the joint undertaking. The most conspicuous example of this form of obstruction was the rejection of an application for permission for a joint undertaking established to work the coal mines at Niuhsintai in the Province of Fengtien. By virtue of the treaty of 1915 these are mentioned among the mines, over which Japanese have the right of prospecting and working themselves. Faithful, however, to the principle of live-and-let-live, Japan refrained from engrossing the profits of these mines and organized two Sino-Japanese joint concerns to exploit them. Certain Chinese, who were working some of the lots in the locality, perceiving the disadvantage of operating on a smaller scale, wanted to co-operate with Japanese in order to rationalize the operation on a larger scale, and, the Japanese responding to their overtures, they concluded an agreement with them and several times applied for permission to carry on the joint undertaking. The Chinese authorities, however, invariably rejected the application, for no other reason than their prejudice against the Japanese. For the same reason in recent years they rejected practically all applications presented by Japanese for permission to prospect at certain mines, which by virtue of treaties Japanese have the right to work.

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 Methods of obstruction

Thus while obstructing by every possible means the acquisition by Japanese of new mining rights, the Chinese authorities endeavoured to take back such rights already possessed by them by resorting to provisions contained in the Chinese Mining Law to the effect that in case the payment of mining taxes is in arrear, or work is not started without reason within one year from the time when permission was granted, or work has been suspended for more than one year, the mining permit shall be rescinded. Properly speaking, by virtue of Article XL of the Franco-Chinese Treaty of 1858 no obligations other than those explicitly stipulated in treaties can be imposed upon nationals of treaty Powers. Accordingly before China can apply her mining law to foreigners, she has to arrive at a special agreement with the nations concerned. Notwithstanding this, China has frequently attempted to take back mining

rights from foreigners by the application of this law. Examples of such attempts on the part of the Chinese authorities are found in the cases of Japanese working the coal mines at Shihmensai and Tien-shih-fukou, (both jointly with Chinese) and Niuhsintai in the Province of Fengtien, who were urgently required to return their mining rights because they failed to pay their mining taxes in time.

Not satisfied with adopting the above-mentioned direct methods of obstruction, the Chinese authorities attempted to obstruct the exercise by Japanese of their mining rights by resorting to indirect measures. These included intimidation of, and violence exercised on, coolies employed at mines under Japanese management—as at a lime quarry at Penhsihu, in the Province of Fengtien; detention of coolies employed in carriage of supplies and confiscation of their wagons—as at Ching-cheng lead mine, Province of Fengtien; intimidation of Chinese middlemen dealing in mining products—as at the Sian coal mine, Fengtien; restriction on the carriage by Chinese railways of coal taken from mines under Japanese management—as in the case of the restriction placed on the carriage of Fushun coal by the Mukden-Hailung Railway; and prohibition of the use of coal taken from mines under Japanese management—as in the case of prohibition of the use by shops, factories, etc., of coal taken from mines under foreign management, which was secretly ordered by the provincial authorities of Fengtien in 1930.

III. CHINESE ACTION AGAINST THE RIGHTS AND INTERESTS OF THE SOUTH MANCHURIA RAILWAY COMPANY

It need not be said that among all the rights and interests possessed by Japan in Manchuria and Mongolia those connected with the South Manchuria Railway Company are the most conspicuous and important. Regarding their elimination as the most effective measure for undermining the position Japan occupies in the two regions, China has schemed in recent years to revoke them by all possible means, alleging, to begin with, that the treaty of 1915 was invalid. How, disregarding the agreement arrived at on the occasion of the conclusion of the Sino-Japanese treaty of 1905 as well as other agreements, and ignoring vigorous protests lodged by Japan, she constructed the Tahushan-Tungliao and

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Kirin-Hailung Railways as competitive lines to the South Manchuria Railway, how she used the Ssupingkai-Taonan, Taonan-Anganchi and Kirin-Changchun Railways, which the South Manchuria Railway Company had constructed, supplying both capital and technical skill on the understanding that they should serve as feeders to its lines, how she endeavoured to bring unjust competitions and unlawful obstructions to the South Manchuria Railway by manipulating these lines in order to envelope that of the Japanese company has been briefly explained in Chapter VIII, Part I of "The Present Condition of China" under the heading "Disregard for Treaties as a Means of Excluding Foreign Influence."

§ 81.—China had long been scheming to oppress the South Manchuria Railway, but it was about the same time with the creation of the Communications Commission in the Three Eastern Provinces in 1925 that she began to put that scheme into execution. Although this body was a commission in name and appeared to be an institution charged with investigation and deliberation only, it was in fact the highest executive organ directing everything concerning communications in the Three Eastern Provinces, and the object with which it was established was to frame and carry out systematic plans for eliminating the rights and interests possessed by the South Manchuria Railway Company. It had among its plans the construction of such lines as the Mukden-Hailung, Kirin-Hailung, Angangchi-Tsitsihar and Tsitsihar-Koshan Railways, which were to constitute part of a system to be completed at some future date to the serious disadvantage of the South Manchuria Railway. Consequently the creation of this Commission gave rise to a fear that the rights and interests of the South Manchuria Railway Company would be exposed to grave danger. Especially did the anti-Japanese spirit run high after Chang Yin-huai, who exercised monopolistic power in all matters connected with communications, assumed the office of chairman.

81
Establishment of
a Communications
Commission in the
Three Eastern
Provinces

§ 82.—China started her infringement of the Japanese railway rights and interests by placing the debts due from her to the South Manchuria Railway Company in an insecure and unstable position by

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A method for
injuriously affect-
ing the contract

rights of the
South Manchuria
Railway Company

ignoring her agreements for loans from, or her contracts with, the company. A method employed by her in doing so consisted in a refusal on her part to convert expenses of railway construction into loans as well as to renew agreements for loans. For instance, according to the contract for the construction of the Taonan-Angangchi Railway, in case the whole or any part of the expenses of construction should remain unpaid by the Chinese for more than six months after they had had the line delivered by the South Manchuria Railway Company, the amount was to be converted into a loan. Though the line was completed in July, 1926, and was duly delivered to the Chinese in December the same year, they put off, under one excuse or another the discussions concerning the settlement of the contract accounts, of course refusing to convert into a loan the expenses of construction which, exclusive of the interest thereon, amounted to 12,920,000 yen.

The Chinese acted in a similar crafty way in the case of the Kirin-Tunhua Railway as well. According to the contract for the construction of the railway drawn up and completed by the exchange of additional notes in 1925, in case the whole or part of the cost of construction should remain unpaid for more than one year after they had had the whole line delivered, the building expenses were to be converted into a loan. But though the Chinese had the whole line delivered to them by the South Manchuria Railway Company in October, 1928, and continued to operate the railway smoothly, they advanced a complaint that the construction work was unsatisfactory, and not only did they refuse to pay a single penny for the work, but demanded of the company the execution of certain supplementary work. The company had faithfully executed the work in strict conformity with the terms of the contract, and were under no obligation to comply with the Chinese demand, but with a view to maintaining friendly relation with the Chinese and for fear of placing the contract rights of the company in an insecure position, executed supplementary work as demanded by the Chinese. Notwithstanding this, when the term for converting unsettled accounts into a loan matured in October, 1929, the Chinese not only refused to live up to their commitments but came out with a further demand for the reduction of the costs of construction and other demurrers. In consequence the contract rights of the company, far exceeding 30,000,000 yen, inclusive of interest, were placed in a very unstable position.

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As for the Ssupingkai-Taonan Railway, a contract of loan was concluded between the Chinese authorities and the South Manchuria Railway Company, which had built it on their behalf. As the Chinese failed to repay the capital with interest after one year as agreed, a contract of loan for a short term was renewed from time to time, until in 1926 when the Chinese advanced various demands including demands for reduction of the principal and the rate of interest, and refused to renew the contract in spite of repeated protests from the company. In this way, the company's contractual rights amounting in value to more than 50,000,000 yen were rendered very insecure, the company not being offered even a written bond in that regard.

Besides these, there are cases in which small advances made by the South Manchuria Railway Company for the Ssupingkai-Taonan, Kirin-Changchun and certain other railways were rendered insecure by the insincere attitude on the part of the Chinese, but an account of these details would be too tedious to be given here.

§ 83.—Another method resorted to by the Chinese for making the contract rights of the South Manchuria Railway Company insecure was their disregard of the provisions relative to the engagement of Japanese advisers incorporated in the contracts for the purpose of guaranteeing the execution thereof. For instance, notwithstanding the provisions inserted in the contract for the construction of the Taonan-Anganchi Railway and the additional notes exchanged between the Chinese authorities and the South Manchuria Railway Company to the effect that an adviser designated by the latter should be appointed and that the adviser "shall administer all revenues and expenditures of the railway and shall sign jointly with the director all documents concerning payments", the Chinese denied to the adviser the execution of his functions as stipulated in the contract. In consequence, having been deprived of the privilege as a creditor of the railway of participating in its financial affairs, and finding its contractual rights made insecure, the company repeatedly lodged protests with the Chinese authorities, but to no purpose. Again notwithstanding Article VI of the contract for the construction of the Kirin-Tunhua Railway providing for the engagement of a Japanese as chief accountant, the Chinese refused to act in conformity with those

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Another method

provisions. Finally, in regard to the Ssupingkai-Taonan Railway, in accordance with the contract for the loan, the administration engaged Japanese as the traffic superintendent, chief engineer and chief accountant. For some years this arrangement had operated until 1929, when the Communications Commission of the Three Eastern Provinces appointed assistants under the three heads of departments, introducing a system of joint decision and authorizing the director and vice-director of the railway to take the final decision in case they could not reach an agreement. This new arrangement evidently aiming at the deprivation of authority from the Japanese heads of departments was made without any consultation with the South Manchuria Railway Company, and was protested against by that company, but the Chinese stubbornly refused to yield. Although this system was subsequently abolished as a result of negotiations, the Chinese designs on our railway rights and interests were plainly manifested by this procedure.

84
Scheme established to envelope the South Manchuria Railway

§ 84.—The next step taken by the above-mentioned Communications Commission was to form a positive scheme for drawing off passengers and goods from the South Manchuria Railway to the railways under Chinese management and to the railways constructed with capital supplied by the South Manchuria Railway Company, by effecting a system of through carriage on these railways. Formerly, each of the Chinese railways had its own managing director independent of others, and through their rivalries for power and various other personal relations there existed no co-operation between them. For example, the Ssupingkai-Taonan and the Taonan-Angangehi Railways, which, both serving as means for the carriage of goods from and to North Manchuria, should have formed one organic system, remained for some time independent of one another, possessing their own stations in the town of Taonan situated at some distance from each other, so that through carriage had to be effected by means of pack horses and wagons. In these circumstances the South Manchuria Railway Company frequently suggested linking-up of the two railways, but the Chinese used to turn a deaf ear to this advice. Upon the Communications Commission setting its hand to the task of materializing its scheme for the envelopment of the South Manchuria Railway, this long neglected connection of the two railways was

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immediately brought about. Though this was quite right in view alike of the improvement of traffic facilities and better management, the step referred to attracted a great deal of attention from the Japanese as it signalized the first stage in the accomplishment of the scheme to injure the Japanese railway rights and interests in defiance of treaty stipulations.

Subsequently the Chinese proceeded with the linking-up of five railways, namely the Tsitsihar-Koshan, Taonan-Angangchi, Ssupingkai-Taonan, Tahushan-Tungliao and Peking-Mukden Railways. This was accomplished in December, 1928, so far as regards passenger service and in December of the following year for the carriage of goods. In this way the Chinese turned the Ssupingkai-Taonan and Taonan-Angangchi Railways, which were originally constructed as feeders of the South Manchuria Railway, into weapons for injuring its interests. The Chinese contended that all the five railways being under Chinese management they were perfectly entitled to effect connections between them; but in fact the Tahushan-Tungliao Railway is a line which they had constructed in contravention of treaty engagement (Note), and as to

Note:

NOTES EXCHANGED BETWEEN THE JAPANESE AND CHINESE
AUTHORITIES CONCERNING THE QUESTION OF THE
TAHUSHAN-TUNGLIAO (PAYINTALA) RAILWAY

*Note No. 597, addressed by Mr. Shigeru Yoshida, Japanese Consul-
General at Mukden, to Marshal Chang Tso-lin on the
17th day of the 9th month, 15th year of Taishō
(September 17, 1926)*

I have the honour to state that it has been brought to my knowledge that, a project having been made to construct a railway from Tahushan to Hsinlitun, and thence to Payintala (Tungliao) via Changwu, this project was already announced in September last year, in the Official Gazette of the Communications Department of the Chinese Government. This projected railway, on its completion, will naturally be linked up with the Ssupingkai-Taonan and the Taonan-Angangchi Railways, and will obviously constitute a competitive parallel line to the trunk line of the South Manchuria Railway, the distance between these two competing lines being, moreover, no more than 70 miles on an average. It may be recalled that, at the time of the conclusion in 1905 of the Sino-Japanese Treaty concerning Manchuria, the Chinese Government made a declaration undertaking not to construct any trunk line in the neighbourhood of, and parallel to, the South Manchuria Railway nor any branch line which might be prejudicial to the interests of

that Railway. The railway project under consideration is unquestionably contrary to the said declaration of the Chinese Government, and it must also be noted that the Ssupingkai-Taonan and the Taonan-Angangchi Railways were constructed with capital and technical skill supplied by the South Manchuria Railway. That a project should be made to construct such a new railway as would, together with the said two railways, immediately constitute a parallel line to the trunk line of the South Manchuria Railway, is the last thing to be expected by the Japanese Government. Again, note must be taken of a past precedent, in which the British Government, on the occasion of the construction of the Chaoyang branch line of the Peking-Mukden Railway, sought an understanding with the Japanese Government in connection therewith. If the project to construct the railway under consideration, which would be at a far shorter distance than the said Chaoyang line from the South Manchuria Railway, be a fact, the Japanese Government will be unable to pass over such a project with acquiescence. Accordingly, I should be much obliged if Your Excellency would be good enough to furnish me with information as to whether the said project is really entertained.

Note No. 8, addressed by Marshal Chang Tso-lin to Mr. Shigeru Yoshida, Japanese Consul-General at Mukden, on the 27th day of the 10th month, 15th year of the Republic of China (October 27, 1926)

I have the honour to acknowledge the receipt of Your Excellency's Notes Nos. 597 and 695, making inquiry as to whether the project for the construction of a railway between Tahushan and Payintala will be put in execution.

I beg to state in reply that at present there is no project whatever for constructing the above-mentioned railway. If in future a proposal is brought forward by the authorities or by private individuals to construct such a railway for the purpose of opening up the Province of Fengtien, the matter, which pertains to internal administration, will naturally be put in execution upon due consideration of the circumstances that may then prevail. In view of the fact that Your Excellency's Government have long taken an interest in the development of industry in the region of Fengtien, I trust that you will countenance with satisfaction any such project as that to which I have just referred, and will not find it necessary to interfere with it.

Note No. 733, addressed by Mr. Shigeru Yoshida, Japanese Consul-General at Mukden, to Marshal Chang Tso-lin on the 5th day of the 11th month, 15th year of Taishô (November 5, 1926)

I have the honour to acknowledge the receipt of Your Excellency's Note No. 8 of October 27th last, containing a reply with regard to the matter of the construction of a railway between Tahushan and Payintala, to the effect that there is at present no such project, but that, if in future it becomes necessary to undertake the construction of the said railway for the purpose of opening up the Province of Fengtien, the matter will be determined upon due consideration of the circumstances that may then prevail.

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In my previous Note to Your Excellency I stated the reasons for which the Japanese Government find it difficult to pass over the above-mentioned project with acquiescence. While desiring the construction of an increasing number of railways for the opening up of Manchuria, the Japanese Government are also anxious that the engagement existing between Japan and China should be mutually respected by the two countries. I shall transmit your Note under acknowledgement to my Government, and shall have the pleasure of communicating with you on receipt of their instructions.

(No reply was received to this note).

Note No. 861, addressed by Mr. Teruo Hachiya, Japanese Acting Consul-General at Mukden, to Marshal Chang Tso-lin on the 28th day of the 12th month, 1st year of Shōwa (December 28, 1926)

I have the honour to refer to Your Excellency's Note No. 8 of October 27th, 1926, in which you give us a reply with regard to the project for the construction of the Tahushan-Payintala Railway, to the effect that there is at present no project whatever for the construction of any railway between the said two points. It has, however, been recently brought to our knowledge that the Chinese authorities concerned are now expediting the work of constructing the line as far as Hsinlitun and Changwu, its completion being shortly expected, and that, in order to follow up this section with that between Changwu and Payintala, they have under consideration a plan to undertake the construction of the section northwards from Changwu with the old rails available on the completion next year of the replacement of the rails between Kuopangtzu and Mukden. If this be true, not only does the project under consideration constitute a complete disregard of our projects, but it also constitutes a repudiation of your own reply under reference. As has repeatedly been brought to your notice before, it will in any circumstances be difficult for Japan to acquiesce in the said project. With reference to the Consul-General's Note No. 733 of November 5th, 1926, in which a repeated statement to that effect was made, I have now received strict telegraphic instructions from my Government. Accordingly, I beg to request that you will be good enough to cause investigations to be made on this subject as soon as possible, and to give strict instructions to the Chinese authorities concerned for the immediate relinquishment of the work now being actually undertaken and of the future plan above referred to. As I have to make a report to my Government on the matter, I should be much obliged if you would kindly furnish me as soon as possible with information on the results of the action which you may have taken in this matter.

(The Chinese authorities did not reply to this note either, but proceeded with the work of construction).

Note No. 297, addressed by Mr. Shigeru Yoshida, Japanese Consul-General at Mukden, to Marshal Chang Tso-lin on the 7th day of the 5th month, 2nd year of Shōwa (May 7, 1927)

With reference to the construction of a railway between Changwu and Payintala, it was pointed out in Mr. Hachiya's Note No. 861, dated December

the Ssupingkai-Taonan and Taonan-Angangchi Railways though they were constructed by Japanese, it undoubtedly constitutes a violation of the same engagement that the Chinese should use them as competitive lines to the South Manchuria Railway in view of the explicit understanding that they should serve as feeders to that Japanese railway. The South Manchuria Railway Company, therefore, repeatedly called attention of the Communications Commission and the respective administrations of the Ssupingkai-Taonan and Taonan-Angangchi Railways to this breach of treaty obligations, but as usual the Chinese adopted a very unstraightforward attitude towards the question and entirely ignored the claims of the Japanese. On the contrary, by exercising pressure on the Chinese consignors of goods and on Chinese passengers or by offering them unfair reductions in tariff rates, they challenged the Japanese to a fierce competition.

Another measure adopted by the Chinese in order to compete with the South Manchuria Railway was the establishment of through carriage arrangement among the so-called Four Eastern Lines, namely the Kirin-Tunhua, Kirin-Hailung, Mukden-Hailung and Peiping-Mukden Lines, which was effected in accordance with the systematic scheme of the Communications Commission for aggressive action against the Japanese line both from the eastern and the northern directions. Of

28th, 1926, that the said construction constituted an infringement of treaty stipulations. Verbal protests were also directly made to Your Excellency on several different occasions, in accordance with the views of the Japanese Government. You were good enough personally to assure me that there was no such project whatever as that under consideration, and a similar reply was contained in your Note No. 8 of October 27th, 1926.

I now have the honour to state that it is persistently reported that the construction of the railway under consideration was already started in the early part of April this year, and that work is now in active progress on the section between Changwu and Payintala. Acting under telegraphic instructions from my Government, I beg to make a repeated request that you will be good enough to furnish me as soon as possible with information as to whether the said report is accurate.

(No reply was received to this note, while the work of construction was continued uninterruptedly. Not only that but in reply to the verbal protests frequently made by the Japanese Consul-General both prior and subsequently to the despatch of the above note, they invariably repeated what they had declared in the note of October 27, 1926. In this manner the Japanese protests were entirely ignored).

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these four lines, the Peiping-Mukden Railway was constructed independently of Japan, the Mukden-Hailung Railway was constructed by the Chinese with the approval of Japan and the Kirin-Tunhua Railway by the South Manchuria Railway Company under contract. In the construction of these three railways, there was nothing that infringed the treaties and agreements between Japan and China, but the Kirin-Hailung Railway was constructed by the Chinese in contravention of the stipulation, contained in the notes exchanged in 1918 concerning "Four Railways in Manchuria and Mongolia", providing that the railway should be constructed with capital supplied by Japanese (Note).

Note:

NOTES EXCHANGED BETWEEN THE JAPANESE AND CHINESE
AUTHORITIES CONCERNING THE QUESTION OF
THE KIRIN-HAILUNG RAILWAY

*Note No. 748, addressed by Mr. Shigeru Yoshida, Japanese Consul-General
at Mukden, to Marshal Chang Tso-lin on the 15th day
of the 11th month, 15th year of Taishō
(November 15, 1926)*

I have the honour to state that it has been brought to my knowledge that the authorities of the Province of Kirin, projecting the construction of a railway line between Kirin and Hailung, have announced in the Kirin Official Gazette of October 26th last the appointment of the Director-General and other officials of a Bureau of Preparation for the Construction of the Kirin-Hailung Railway. With regard to this projected railway, I venture to point out that, by virtue of the Notes exchanged between Japan and China in 1918 concerning loans for four railways in Manchuria and Mongolia, Japan is unquestionably invested with the right to supply the necessary loans for the purpose of constructing the said railway, and that, as Your Excellency may be well aware, she has even already made an advance to the Chinese Government for the said purpose. All this arrangement is based on the purpose for which the understanding was reached between Japan and China at the Peking Conference held in 1905, to the effect that China shall not construct any railway line parallel to the South Manchuria Railway. From the standpoint of safeguarding the interests of this Railway, Japan takes a particularly serious view of the projected railway. Of the existing treaties and agreements concerning the question of various railways in Manchuria and Mongolia, there are very many which have not yet been put in execution, and, if China, further disregarding the above-mentioned engagement, should proceed with a railway project, of which a particularly serious view is taken by Japan, it would be beyond the latter's comprehension and would be a matter of the greatest regret to her.

Under instructions from my Government, I beg to request that Your Excellency will be good enough to cause investigations to be made as soon

as possible as to whether the project above referred to is really being undertaken, and, if so, to take such steps as may be necessary for the suspension of that project, duly bringing the foregoing to the knowledge of all concerned.

Note No. 1, addressed by Marshal Chang Tso-lin to Mr. Teruo Hachiya, Japanese Acting Consul-General at Mukden, on the 18th day of the 1st month, 16th year of the Republic of China (January 18, 1927)

I have the honour to acknowledge the receipt of a Note No. 748, from the Japanese Consul-General, requesting me to cause investigations to be made as soon as possible as to whether the project of the authorities of the Province of Kirin to construct a railway line between Kirin and Hailung is true, on the ground that this project is regarded as constituting a disregard of treaty stipulations; and, if it be true, to direct the Kirin authorities to suspend the execution of that project. I have also noted his Note No. 781, in which he asks to be informed as soon as possible of the result of the said investigations.

I beg to state in reply that it is true that the Government of the Province of Kirin, raising capital from among the authorities and private individuals and investing it in the Mukden-Hailung Railway, are demanding the construction of an extension thereof; but, at the outset of the construction of that Railway, the Japanese Consul-General was good enough to transmit to me a declaration of approval by your Government; that is to say, a formal expression of approval by your Government was obtained. It is unnecessary to state that the Japanese Government and the Japanese Consul-General are good enough to be disposed to offer their assistance in the opening up of the Three Eastern Provinces, and, since the proposed extension of the Mukden-Hailung Railway is for the purpose of opening up that locality, I trust that surely your Government will approve with pleasure the project to extend, for the purpose of opening up the said locality, the Mukden-Hailung Railway, which extension has already been approved by your Government. Since, moreover, the construction of the Mukden-Hailung Railway is neither more nor less than the construction of a branch line of the South Manchuria Railway; in other words, since the extension project is neither more nor less than a project to expand the business operation of the South Manchuria Railway, I believe that your Government should naturally offer their assistance and co-operation in the execution of that project.

Note No. 43, addressed by Mr. Shigeru Yoshida, Japanese Consul-General at Mukden, to Marshal Chang Tso-lin on the 25th day of the 1st month, 2nd year of Shōwa (January 25, 1927)

I have the honour to acknowledge the receipt of Your Excellency's Note No. 1 of January 18th last, containing your reply on the matter of the construction of a railway line between Kirin and Hailung.

Your Excellency states that, since, at the time of the construction of the Mukden-Hailung Railway, the Japanese Government signified their ap-

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For this reason, before the actual construction of the railway was started in 1927, and since then, Japan had lodged strong protests with the Chinese by pointing out the impropriety committed by them in undertaking the work, but the Chinese ignored them altogether and completed the work in May, 1929.

Concurrently with the completion of the said railway, the scheme for the establishment of through traffic between the four eastern lines having been deliberated on, the Chinese proposed to effect the connection of the Peiping-Mukden and Mukden-Hailung Railways to begin with. But in order to establish the connection of the two railways, China had to obtain the consent of Japan. As a matter of fact, the Peiping-Mukden Railway could not be extended into the walled city of Mukden unless it was allowed to cross the line of the South Manchuria Railway. The Chinese authorities, therefore, requested the consent of Japan to the extension of the former across the line of the latter. It was given by the Peking Agreement concluded between the two countries in 1909 and subsequently by the Mukden Agreement concluded in 1911 the details of carrying out the proposed work were agreed upon. It was prescribed in both agreements that the extension of the railway should stop at the *Chengken* Station, and moreover the site of the station was specified in the Agreement of Mukden to

proval of the project for the construction of a railway between Kirin and Hailung, and the construction of this railway is neither more nor less than an expansion of the business operations of the South Manchuria Railway, the Japanese Government will approve of the project in the interests of the opening up of the locality concerned. With regard to the construction of the railway between Kirin and Hailung, however, it must be stated that, as mentioned in my previous Note to you, Japan is unquestionably invested with the right of supplying the necessary loans for the construction of the said railway, by virtue of the explicit stipulations contained in the Notes exchanged between Japan and China in 1918 concerning loans for four railways in Manchuria and Mongolia. Japan has never waived this right of supplying the loan in question, and, if it be alleged by China that Japan has waived that right, it is desirable that China should affirmatively substantiate this alleged fact. In the interests of the opening up of Manchuria and Mongolia, Japan desires the construction of as many railways as possible, but this desire must not allow her to pass unnoticed a disregard by China of treaty stipulations. If the project for the construction of the railway under consideration should be proceeded with in disregard of the engagement existing between the two countries, it will be assumed that China must bear the entire responsibility for such an infringement of that engagement.

be "a point within one English mile to the north of the outside of the Small West Gate." Although the connection of the Peiping-Mukden Railway with the Mukden-Hailung Railway did not technically take the form of an extension of the former, yet to all practical intents and purposes it constituted an extension of that railway as far as Hailung. As this was not only at variance with the spirit of the two agreements above referred to, but the linking up of the two railways meant the emergence of a competitive line to the South Manchuria Railway, Japan repeatedly asked for a reconsideration of the scheme by the Chinese. But not only was this request refused, but the Chinese went a step further and pushed on their scheme to establish a system of through carriage between the above-mentioned two railways, the Kirin-Hailung Railway, which was constructed in contravention of a given engagement, and the Kirin-Tunhua Railway, which was constructed by Japanese under contract. Thus in November, 1930, they opened an arrangement of through carriage and through trains for goods, in January of the following year a system of through passenger service and through passenger trains on the four railways, thereby making it more evident than ever to what an extent they were prepared to compete with and oppose our railway.

85
Further method

§ 85.—The Chinese further planned to extend the connection of these Four Eastern Railways so as to include the Kirin-Changchun Railway in the system of operation and connect it with the southern section of the Chinese Eastern Railway. The purpose of this plan was to cut off the South Manchuria Railway from this very important feeder in North Manchuria, thus intercepting, for the benefit of the Four Eastern Railways, goods coming from that region by that line for further carriage southward by our railway. With this object in view they constructed in 1928 a connecting line between Kwanchengtzu, the terminus of the southern section of the Chinese Eastern Railway, and Changchun, the terminus of the Kirin-Changchun Railway. Regarding this connecting line, the Japanese Government frequently protested against its construction, as its construction is contrary to the undertaking which binds China not to construct competitive lines, but it need hardly be said how these protests were treated by the Chinese. But there

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was one very serious obstacle in the way of the Chinese in materializing their policy. This was the existence of an agreement between Japan and China for the entrusting by the latter of the operation and management of the Kirin-Changchun Railway to the South Manchuria Railway Company. Were the agreement in question merely of the nature of treaties or agreements in general, the Chinese would simply have ignored it just as they did the undertaking with regard to the construction of competitive lines. But as a result of the agreement the South Manchuria Railway Company was actually in possession of the necessary power for the management of the railway, so that the Communications Commission was unable to effect the desired changes merely by issuing orders. In these circumstances, even the Chinese authorities, who showed themselves so impudent in other instances of the obstruction of our railway rights and interests, were obliged to ask for the opening of negotiations concerning the proposed connection of the Kirin-Hailung and Kirin-Changchun Railways, only to meet a refusal. This, however, may be taken as another example illustrating how thorough-going and subtle was the Chinese aggression on the rights and interests of the South Manchuria Railway Company. The extent of the damage which the Chinese railways' enveloping the South Manchuria Railway caused to its interests will at once be appreciated by a glance at a map indicating the distribution of the Japanese and Chinese railways. Japan can not see with folded arms the most important rights and interests in Manchuria and Mongolia thus injured by China's unlawful action (Note).

Note:

The following comparison of the distances between Dairen and other principal cities with those between Hulutao and the same cities will show the magnitude of the menace of the Chinese scheme to the South Manchuria Railway:

Tsitsihar	{	Dairen	(via southern section of the Chinese Eastern Railway)	1,211.3
		Hulutao	(via Taonan-Angangchi Line)	1,120.8
Taonan	{	Hulutao	(via Taonan-Angangchi Line)	980.6
		Dairen	(via Ssuningkai-Taonan Line)	896.6
		Yingkou	(via Ssuningkai-Taonan and South Manchuria Lines)	679.1
		Hulutao	(via Ssuningkai-Taonan and Tahushan-Tungliao Lines)	721.4
		Hulutao	(via Ssuningkai-Taonan and Tahushan-Tungliao Lines)	756.4

86
Gigantic plan to
construct new rail-
ways

§ 86.—Not satisfied with injuring the interests of the South Manchuria Railway by means of manipulating various railways above-mentioned, some of which constructed in defiance of the treaty, the Chinese planned to build many more. According to an announcement made in May, 1930, by the Communications Commission of the North-Eastern Provinces, their plan was to make Hulutao the principal port and Chinwangtao and Yingkou subsidiary ports and, by constructing certain trunk lines and numerous branch lines, to attract goods from South and North Manchuria to these ports. In the eventuality of the more important of these projected railways having been constructed, the port of Dairen as well as the South Manchuria Railway itself would be made as good as valueless. Of these Communications Commission enumerated fifty-five lines as of actual feasibility, most of which are considered to be contrary to the undertaking with regard to the construction of competitive lines to the South Manchuria Railway.

Which of the projected lines can really be constructed in the near future is to be considered from the viewpoint of financial and other conditions, and to calculate the losses that might thus be incurred by the South Manchuria Railway may perhaps be a matter of conjecture. However, a few words must be said about certain lines, the construction of which may be easily effected and of which the Communications Commission had also been striving for the speedy realization. These are a line which should directly connect Taonan and Tungliao and a line connecting Tungliao, Fuyu and Harbin. Were these lines completed, they would bring Harbin, Tsitsihar and other important centres of North Manchuria nearer to Hulutao than the existing lines do, and would undoubtedly deal a far heavier blow to the South Manchuria Railway.

Kirin	{	Dairen	(via Kirin-Hailung, Mukden-Hailung and South Manchuria Lines)....	829.0
			(via Kirin-Changehun and South Manchuria Lines)	829.0
	{	Hulutao	(via Kirin-Hailung, Mukden-Hailung and Peking-Mukden Lines)	731.5
			(via Kirin-Changehun, South Manchuria and Peking-Mukden Lines)	732.5

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§ 87.—Besides the methods mentioned in the foregoing paragraphs, the major and minor measures adopted by the Chinese for inflicting injury on the port of Dairen and the South Manchuria Railway were by no means few in number. Of these the most important was the abolition of the system of refunding by drawbacks of customs duties at Dairen. In paragraph 9 of the "Agreement about the Establishment of a Maritime Customs Office at Dairen", concluded in May, 1907, it is provided: "For Japanese and other non-Chinese merchandise, on being shipped to Dairen from a Chinese Treaty port, the Import Duty paid at the latter port shall be refunded by Drawback according to treaty stipulations. On being imported to Dairen such merchandise shall pay no Duty, so long as it does not pass the Japanese frontier into the interior of China. On being re-exported from Dairen to other places outside China, such merchandise shall pay no Export duty". Accordingly, foreign goods on which import duties had been paid at treaty ports in China, when they were subsequently shipped to Dairen should have those duties refunded at the time of their shipment and, if and when those goods were further despatched from Dairen to the interior, import duties on them were collected at Dairen. In 1931 China abolished the system of the refunding of customs duties by drawbacks, making an arrangement that in case goods on which import duties had been collected at an open port were shipped to another port, exemption certificates should be issued and no import duties need be paid at the port of discharge on such goods. The Chinese authorities, however, refused to issue exemption certificates on goods shipped to Dairen, with the result that goods consumed at Dairen had to pay import duties at the port of shipment and such goods as were sent into the interior from Dairen had to pay them again at Dairen. In consequence both the port of Dairen and the South Manchuria Railway incurred a considerable loss. Thereupon the Japanese authorities lodged a protest; but as usual China's anti-Japanese attitude made the satisfactory settlement of this problem impossible.

The unlawful taxation on the export of coal from Fushun and Yentai was equally damaging to the interests of the South Manchuria Railway Company. The two coal mines are being worked by the South Manchuria Railway Company under the Sino-Japanese "Agreement concerning Mines and Railways in Manchuria" of 1909 as well as

87
Oppression by
means of unlaw-
ful taxation

under the "Detailed Regulations for Fushun and Yentai Mines" of 1911. It is provided in Article II of the "Regulations" of 1911 that "The Company agrees to pay to the Chinese maritime customs for the coal of two mines exported from a point of maritime navigation an export tax which shall be computed at one-tenth of a *Haikwan tael* per ton, that is to say, at the rate of one *mace* silver". In accordance with these provisions, the company had paid export duties on the coal which was exported no matter whether to foreign countries or to other Chinese ports. As from June 1, 1931, the Chinese Government, disregarding the above quoted provisions, attempted to raise the rate to 3.4 *mace* per ton on coal shipped to foreign countries and 1 *mace* per ton on that for home consumption and to collect a surtax of half the amount in the latter case. As a result of negotiations which was subsequently conducted the Chinese authorities accepted the Japanese contention with regard to coal shipped to foreign countries as a temporary measure, but refused to entertain the Japanese request with regard to goods for home consumption.

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Chapter IV

China's Repeated Provocations, the Incident of Major Nakamura and the Origin of the Manchurian Incident

§ 88.—From the details which have been given in the foregoing chapters, it can be understood how China's anti-Japanese attitude grew from bad to worse year after year, and especially how her thorough-going hostility evinced against Japan in Manchuria and Mongolia imperilled the safety of Japan, and how by persistent encroachments on her rights and interests she put Japan in great fear and anxiety. At the same time the anti-Japanese behaviours of the Chinese gradually took on a tendency to unlawful action and all protests lodged by Japan either in writing or by word of mouth were ignored by them. This attitude on the part of the Chinese, coupled with the repeated insults and provocations they inflicted on the Japanese railway guards and other residents aggravated Japanese national sentiment to a high pitch.

It would be tedious to cite one after another the innumerable instances of the provocative attitude of the Chinese, the most conspicuous of these being the violent anti-Japanese agitation and boycott movements against Japanese goods which were carried out throughout the whole of China. Prominent personages of the National Government openly encouraged anti-Japanese agitations and the Kuomintang incited anti-Japanese organizations at various places to resort to unlawful action in order to bring about the severance of relations with Japan. They hindered our economic activities in China by violence and repeatedly subjected Japanese residents to various forms of insult. In particular, the anti-Japanese education and propaganda which they carried on for a long time, evoked even in the minds of the school-children a bitter feeling of antipathy against the Japanese. In short the anti-Japanese agitation among the Chinese was aggravated day by day, until the Japanese resident in China began to find themselves

88
China's provocations to Japan: aggravation of Japanese national sentiment

in a position in which they could scarcely live in peace. This state of things so intensified the anxiety and resentment of the Japanese people that it was felt that if things were allowed to run their natural course some extremely grave situation would be brought about sooner or later (*vide* Part I of "The Present Condition of China,"—particularly Chapters III, VII, VIII and IX).

89
Self-restraint and
patience of the
Japanese Govern-
ment and people

§ 89.—While striving to keep the indignant people at home under restraint, the Japanese Government, fully sympathising with the national aspirations of the Chinese, accommodated their desires, which were not seldom extravagant, as far as possible in the hope that they would eventually amend their ways. Meanwhile the Japanese residents in China avoided coming to conflict with the Chinese by preserving a calm attitude with a praiseworthy patience, which one could hardly expect of them, despite that they were insulted, kicked at and often deprived of the means of obtaining the necessities of life.

This moderate attitude of theirs was best illustrated by the Nanking Affair of 1927. At that time, in anticipation of the development of a dangerous situation as the result of the defeat of the Northern army and the entry of the Nationalist army into the city, the Japanese residents had taken refuge at the Japanese Consulate there. Even when soldiers belonging to the Southern army raided the Consulate and committed acts of indescribable violence and indignity, they offered no resistance but left them alone to act as they liked. Prior to this, in order to prepare against emergencies, the Japanese Government had detailed a number of bluejackets to the Consulate and, having come to a decision that in no circumstances should any resistance be offered to the Chinese, had instructed both the bluejackets and the Japanese residents to that effect.

It is characteristic of the Japanese people to resist such outrages at the risk of their lives, but on the above-mentioned occasion, in obedience to the policy of their Government they forbore all acts of violence, insult and looting committed by the Chinese troops and offered them no resistance, though at heart they must have been burning with indignation. The Japanese also showed similar forbearance in regard to the Chinese boycott movements against Japanese goods, which ex-

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tended for years, the inhuman treatment by Chinese of Koreans in Manchuria and Mongolia, the unlawful and provocative construction by the Chinese of competitive lines to the South Manchuria Railway and so forth. In fact their behaviour in the face of intolerable Chinese provocation shows how patient they were and how earnestly they desired to live in peace with them. On the other hand the Japanese Government tried hard to arrive at some compromise with the Chinese authorities concerning various pending disputes by accommodating as far as possible their not seldom unreasonable claims. For this moderate attitude taken towards China, the Government was severely criticized as being wanting in backbone, but in consideration of the peace of the Far East and hoping that China may one day return to reason, they kept resolutely to their policy of moderation.

§ 90.—On the other hand, misconstruing Japan's conciliatory attitude as a sign of weakness, China acted against her more arrogantly than ever, spurning her overtures for compromise of the various pending problems. Meanwhile the Japanese residents in China were everywhere made the victims of contempt and ridicule. This overbearing attitude of the Chinese became especially worse since about 1928. Cases of Japanese school children being jeered, thrown stones at, beaten or spat upon by Chinese children on their way to and from school took place nearly every day, while in not a few instances Japanese individuals travelling in the interior of Manchuria and Mongolia or other places were unpleasantly shadowed by Chinese detectives, were prohibited from continuing their journey or were driven back by the Chinese authorities. For instance, when a party of Japanese school-masters on an inspection tour of Manchuria and Mongolia wanted to proceed to Tsitsihar by way of the Ssuping-kai-Taonan and Taonan-Angangchi Railways, and applied for passports in accordance with treaty provisions, the provincial authorities of Fengtien rejected their applications. There were also many cases in which the Chinese authorities obstructed the business of Japanese by violent acts. Similar cases of violence against Koreans have already been described elsewhere, but like outrages committed against Japanese residents also became more numerous in recent years. Not to mention many cases that took place in

90
 Arrogant attitude
 of Chinese

China Proper, unpleasant incidents of this sort occurring in Mukden, Harbin and other Manchurian cities one after another in rapid succession only served to intensify Japanese resentment against the Chinese. A notable example is the case that took place in Mukden on May 31, 1931. A large party of Japanese were returning from a picnic in five motor lorries through a street, when one of the trucks collided with a Chinese rickshaw. Thereupon a large number of Chinese soldiers, police constables and hooligans assembled at the scene and roughly handled the Japanese, not sparing even the women of the party. Again when on June 2, the same year, a Japanese taxi chauffeur knocked down a drunken Chinese in a street of Harbin, several Chinese police constables armed with pistols, brushing aside a Japanese policeman who tried to restrain them, raided his house in an attempt to arrest him, while Chinese mob beat three Japanese who happened to be near the scene, severely injuring one of them, and destroyed the car. On June 4, the same year, a party of Chinese policemen subjected a Japanese policeman to violence at a place near Tashihchiao on the ground that his behaviour was suspicious and fired upon and injured some Japanese policemen who happened to come that way. All these unpleasant incidents, together with the outrages on Koreans, went a long way to show the tendency of Chinese hostility against Japan to take on the form of violent and unlawful acts. It was only natural that the anxiety and indignation of the Japanese residents in China should become aggravated day by day.

The Chinese have been denouncing all Japanese activities in China as acts of aggression, terming, for example, the pursuit of legitimate business by Japanese firms and merchants an economic invasion, the practice of agriculture by Koreans a territorial encroachment and the exploitation of mines by Japanese an inroad on Chinese mining. Examples of this description are too numerous to be mentioned. And all this is taught in their school text-books and, constantly propagated in their newspapers, even responsible personages of the Government publicly referring to it in their orders and instructions to their subordinates. In this way both the Government and people of China have made their supreme object the frustration of what they call Japanese aggression. It is no wonder then that the anti-Japanese acts of both the Government authorities and the people inspired by that spirit of hostility have taken

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on the form of violent and unlawful acts. Needless to say this attitude of the Chinese is not only contrary to modern standards of international intercourse, but is extremely injurious to the maintenance of friendly relations between China and Japan.

§ 91.—In view of the threatening situation, the Japanese Government communicated to the Chinese authorities to the effect that if they did not change their attitude and if they failed to maintain peace and order and to protect the lives and property of the Japanese they would be unable to view it with unconcern, and that as it was hardly possible to keep under restraint public opinion in Japan, which was stiffening as a result of the disagreeable incidents lately taking place in China in rapid succession, they would be compelled to take such measures as they should consider appropriate, and that in that case an extremely grave situation would arise. The Chinese authorities, however, turned a deaf ear to these warnings, but continued to adhere to their dictatorial attitude of dealing with all affairs concerning the Japanese in an arbitrary and imperative manner. They publicly announced and carried into effect the policy of expelling the Koreans from the three Provinces of Fengtien, Kirin and Heilungkiang, while cases in which the very local authorities themselves, whose duty it is to preserve peace and order as well as to protect foreign residents, imperilled the livelihood of Japanese subjects or obstructed their legitimate business, continued frequently to be observed. In particular, it was usual in these cases that the outrageous acts of Chinese police constables aggravated the matter and in some cases they themselves were even the instigators of disturbance. In these circumstances, the Japanese authorities began to feel that it was idle to expect of the Chinese any satisfactory manner of dealing with the situation. It was at this juncture that the Wanpaoshan Affair and the murder of Major, then Captain, Nakamura took place. As regards the former, a brief account of it was already given in Chapter III of Part II of the present volume. According the facts about the murder of Major Nakamura alone will be related in the following paragraph.

91
Frequent warn-
ings of the Japa-
nese Government
ignored

§ 92.—Major Shintarô Nakamura of the Infantry, under Govern-
ment orders, was travelling in the districts of the Hingan Range in

92
Murder of Major
Nakamura

the early part of June, 1931, accompanied by one Japanese, one Russian and one Mongolian. In accordance with treaty provisions he carried on his person the necessary passport issued by the Chinese authorities. While resting at a Chinese restaurant at Suckungfu, on his way to Taonan from the vicinity of I-Liehkete station on the Chinese Eastern Railway, he was unlawfully arrested by troops of the Third Hingan Development Regiment of the North-Eastern Army stationed at that town. He was examined and imprisoned, besides being robbed of his money and other possessions. On the night of June 27, the commander of the regiment caused him and his companions to be shot by the soldiers at a point two Chinese miles east of the headquarters of the regiment. Their bodies were burned and the ashes were buried.

Upon Major Nakamura and his party not making their appearance at Taonan, where they were expected to arrive at the beginning of July, the Japanese authorities began to feel uneasy, and organized a systematic search for them. About the end of the same month, reliable information of their fate having been received by the Japanese army and the Japanese Consulate at Tsitsihar, the Japanese authorities approached the Chinese concerning the affair. The latter replied that it was first necessary to make inquiries to ascertain whether the murder had really been committed or not and that they would communicate further on receiving a report on the result of the inquiries. As the Japanese authorities were kept waiting for a considerable time for the promised communication from the Chinese, they began to press them for it, but on the excuse of the difficulties attending the inquiry, they seemed to be indisposed to give a speedy reply. This delay on the part of the Chinese roused public opinion in Japan to a considerable extent. Thereupon, convinced that it would serve no purpose to wait for a reply from the Chinese and that, for the maintenance of friendly relations with China, it was necessary to arrive at as speedy a settlement as possible, the Japanese Government at the beginning of September endeavoured to impress the Chinese with the grave nature of the matter and expressed themselves ready, if the Chinese frankly admitted the crime, to effect an accommodation in a spirit of leniency, limiting themselves to such demands as a formal apology, the payment of indemnities, the punishment of the persons responsible for the crime and assurances for the future. In making the above intimation, the Japanese Govern-

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ment presented indisputable evidence of the crime's having been committed, and tried to persuade the Chinese to respond with sincerity. Still the Chinese resorted to their usual method of procrastination on the excuse that the inquiries had not as yet been carried through. But the Japanese persisted in their demand for satisfaction, so that the affair, which seriously threatened to undermine the good understanding between the two countries, should promptly be settled locally. Finally, on September 14, unable to withstand our repeated pressure any longer, the Chinese admitted the crime, alleging that though Major Nakamura and his party were given decent treatment for several days after their arrest by troops of the said Third Regiment, they tried to escape for some unaccountable reason with the result that they were pursued by the troops and shot. Despite this ultimate admission of the fact by the Chinese, they still showed themselves reluctant to settle the incident speedily, thus further aggravating Japanese public opinion on the affair.

On the other hand, Dr. C. T. Wang, Foreign Minister of the Nanking Government, in the course of a press interview on September 3, declared that the report of the murder of Major Nakamura was destitute of foundation, while all the Chinese newspapers printed violent articles stating that Japan was attempting to create trouble with China by making fictitious charges against her. Though in another press interview on September 16, in which Japanese correspondents took part, Dr. Wang corrected his previous statement by stating that what he had said was that he was not acquainted with the particulars of the affair, Japanese public opinion ran very high, and the newspapers published full particulars of the tragic fate of the unfortunate officer and his companions giving a great impression. Memorial services were held for them by the Japanese at several places in Manchuria and at the cities and towns in China Proper where Japanese colonies are to be found and also in Japan. Seeing that the settlement of the affair was delayed, popular feeling against China, which had been already irritated on account of the numerous instances of anti-Japanese agitation in that country, was greatly stimulated. It was at this juncture that an attempt at the destruction of railway track of the South Manchuria Railway was made by Chinese troops on September 18, creating an entirely new situation.

93
Contempt of
Japanese army by
Chinese military
authorities

§ 93.—In view of the fact that the victim was an officer on active service, the murder of Major Nakamura roused great indignation in the Japanese army, as it also did among the general public. The relations between the Japanese army in Manchuria and the Chinese army of the North-Eastern Provinces had been very friendly, the former having rendered much service to the latter in the matter of organization, improvement and education. Notwithstanding this, the attitude of the leaders of the North-Eastern army towards the Japanese army had become very unfriendly during the last few years, and the good understanding formerly existing between them daily waned. For instance, the leaders of the North-Eastern army began to take up an attitude of opposition to the marches and manoeuvres undertaken by our troops. Cases often appeared in which Chinese soldiers insulted Japanese soldiers on the street or openly ridiculed our men at manoeuvres. So much so that eminent Chinese civil officials and military officers publicly advocated war with Japan in the speeches which they delivered at a dinner about the end of August, 1931, to which Japanese were also invited. They also gave expression to their contempt for the Japanese army, saying that it was not to be feared as it lacked experience of fighting, while the men in the Chinese army were well trained and fit in consequence of frequent internal warfare. General Wang I-che, Commander of the North Barracks at Mukden, is said to have declared: "In view of the present relations between China and Japan, I would be another Han Kuang-ti.*" The attitude of the Chinese army in Manchuria being so provocative, the relations with the Japanese troops naturally became very strained, aggravating the fear that some serious situation might arise at any moment. It is quite natural that the Chinese insincerity displayed in the treatment of the case of Major Nakamura at such a time made the situation still worse. It was then that the incident of September 18 suddenly took place leading to the present difficulties between Japan and China.

94
Incident of Sep-
tember 18, 1931

§ 94.—A few minutes past 10 o'clock on the evening of September 18, a lieutenant and six privates of the railway guards stationed at Hushih-

* Han Kuang-ti was an officer who fell bravely fighting in the engagement between Chinese and Soviet troops in 1929.

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tai were proceeding southward on patrol practice along the railway track. When they reached a point about six or seven hundred metres south of the North Barracks of the Fengtien army, they suddenly heard the sound of an explosion in their rear. They hurriedly retraced their steps to the spot where the explosion had occurred, and found a number of Chinese soldiers running in the direction of the North Barracks after destroying a section of the track (Note). They gave chase to them, when they were suddenly fired upon by Chinese troops in ambush in the neighbourhood. Returning the fire and putting them to rout, the Japanese pursued them, when Chinese troops, four or five hundred strong, appeared in *kaoliang* fields to the north of the North Barracks and opened a fierce fire upon them. They hurriedly reported to their company commander, who was directing patrol practice along the railway track in the neighbourhood. He hurried 120 men to the scene and engaged and defeated the enemy, who fled into the North Barracks pursued by the Japanese troops. Upon attempting to enter the barracks, they were greeted with a hail of bullets and shells from rifles, machine-

Note:

Cases of obstruction done by Chinese to the operation of the South Manchuria Railway have occurred frequently of late, cases of heavy stones being laid on the track, stones thrown at passenger trains, rivets of rails or sleepers removed, sticks inserted in the points, etc., having been experienced one after another. In spite of the vigilant watch kept by the railway guards and the employees of the South Manchuria Railway Company such attempts at dislocating the traffic service were gradually on the increase in recent years causing delay of the service and endangering the lives of passengers. The following table shows the number of cases of obstruction to the operation of the railway that took place in and outside of the Kwantung Leased Territory between 1926 and 1930 inclusive:

Year	Locality	Number of cases	Total
1926	Outside Kwantung	29	49
	In " "	20	
1927	Outside " "	53	65
	In " "	12	
1928	Outside " "	78	89
	In " "	11	
1929	Outside " "	99	113
	In " "	14	
1930	Outside " "	77	96
	In " "	19	

guns and infantry guns, but succeeded in occupying part of the barracks. They had, however, to fight hard for a time as they were pitted against overwhelming numbers, until they were reinforced by the main strength of the battalion then stationed at Mukden. Subsequently with the help of reinforcements hurried from Tiehling the Japanese succeeded in clearing the North Barracks of their assailants by daybreak of the following day.

Now that regular troops of Japan and China had thus come to an armed collision, it was at once realized that it was quite different in nature from encounters of our railway guards with Manchurian bandits, such as had very frequently taken place in the past,—that the situation was extremely critical, and that in view of the attitude the Chinese troops in Mukden were adopting against our army and fellow-countrymen prior to the present occurrence, the Chinese troops in other places would also commence active hostilities. The total strength of the Japanese army in service in Manchuria at that time was only 10,400, while that of the Chinese was as high as 220,000 (of the 330,000 officers and men constituting the total strength of Chang Hsueh-liang's army, 110,000 were then in service in North China inside the Great Wall). If, therefore, the Chinese army attacked ours, not only would our men find it difficult to discharge their duty of defending the Kwantung Leased Territory and protecting 1,100 kilometres of the South Manchuria Railway, but the lives of one million Japanese subjects resident in Manchuria would be exposed to great danger. For this reason it was imperative for the Japanese army to act promptly, to concentrate the troops scattered about in small numbers at various points of strategic importance and to forestall the hostile forces by taking advantage of the efficient training of the men and the railway facilities that could be commanded. In other words, it was the only course left open to our army, in confronting the numerically far superior hostile forces, to attack them first and eliminate the troops immediately opposed to it as quickly as possible, and to find a means of discharging its duties by securing scope for active operations. Accordingly as soon as a report of the incident reached them, the higher command of our army promptly commenced operations for removing all causes of danger by disarming the Chinese troops in its vicinity.

After helping their comrades who had come to a collision with

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Chinese troops to drive the latter away from the North Barracks, our troops in Mukden promptly occupied all points of strategic importance in that city such as the Government offices, arsenal and wireless station. On the other hand our troops stationed at Tiehling, Kaiyuan, Ssuping kai and Liaoyang moved to Mukden on the 19th, leaving skeleton forces at their respective posts. The headquarters of our army at Port Arthur were also removed to Mukden the same day.

At various places along the South Manchuria Railway, such as Changchun, Kwanchengtzu, Antung, Fenghwangcheng, Fushun, Ying-kow, Penhsihu, Wafangtien and Changtu, our troops for the purpose of removing immediate danger, as well as for the defence of the railway zone and the protection of Japanese subjects resident in their neighbourhood, disarmed the Chinese troops and police and occupied the strategic points. At Kwangchentzu and Nanling they attacked the Chinese troops as the latter offered some resistance, while at Tiehling and Liaoyang, the Chinese authorities having pledged themselves for the maintenance of peace and order, they did not disarm the troops nor the police. It was reported that simultaneously with the occupation of various points, our army proclaimed military administration and seized customs-houses. This report is, however, absolutely devoid of foundation. Only in Mukden and one or two other cities, the Chinese authorities, having fled, our army, in cooperation with leading Chinese citizens, took temporary charge of the preservation of peace and order, but in no instance did it interfere with Chinese local administration.

PART III

RELATIONS OF MANCHURIA AND MONGOLIA TO THE ECONOMIC LIFE OF JAPAN

Chapter I

Shortage of the Prime Necessities of Life in Japan, and Instability of Their Supply

95
Population pro-
blem of Japan

§ 95.—In explaining the special relations of Japan with Manchuria and Mongolia, her own economic situation must be examined.

It has been explained in Chapter XV of Part II of "The Present Condition of China" that the greatest and most important problem with which Japan is confronted is the problem of the remarkable increase of her population at the rate of nearly one million a year. According to the census returns made in 1930, the total population of Japan was 90,396,043 (64,450,005 for Japan Proper; 21,058,305 for Korea; 4,592,537 for Formosa and 295,196 for Karafuto). The increase of population in Japan Proper, which reached its acme in 1926, when there was witnessed an increase of about 940,000 showed a little decline in the following few years, the figures representing it having fallen to some 800,000, but they rose again in 1930 to 914,000. This tendency towards rapid increase is not considered likely to wane in a short time.

It is quite natural that this extraordinary increase of population should, even at the present day, accompany the aggravation of political, economic and social difficulties in Japan, who is already feeling the pressure of this disquieting tendency. In these circumstances it makes one shudder when one thinks of the future possibilities of this problem. Not much can be expected of the emigration of our surplus population to

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some other continents, which may be considered as one way of solving the problem, because the Powers refuse to admit the principle of racial equality and do not allow our people to emigrate to less densely populated regions. Accordingly, as has been explained in "The Present Condition of China", the only way open for Japan to dispose of her excess population is to develop manufacturing industries at home and secure markets on the Asiatic continent for her manufactured goods. In fact, Japan finds herself now in a position, in which she must somehow dispose of her excess population for no other purpose than of merely existing as a nation. Japan has, needless to say, the right of claiming her economic existence. The importance of the problem of Manchuria and Mongolia to Japan can not be properly estimated if this point is ignored.

What Japan is most seriously considering now in the way of solving the population problem is how to secure the supply of materials needed for civilized existence of her people, viz. food, clothing and building materials, as well as the raw material for her manufacturing industry, and how to transfer her surplus population somewhere else.

§ 96.—Suffering as she does from a shortage of food-stuffs, Japan regards their supply as one of the greatest problems affecting her national existence and has been and is trying to solve it in various ways. For instance, at home she has been putting forth great efforts for, and spending much money on, the restriction of the consumption of food-stuffs, the encouragement of a "mixed" dietary, the encouragement of subsidiary work, the reclamation of waste land, the readjustment of cultivated land, the encouragement of internal migration and of improvements in agricultural methods, etc.

Of these, as might be expected, the restriction of the consumption of food-stuffs is very difficult and the results obtained have not been encouraging. As for the encouragement of a "mixed" dietary, that is, the mixture of wheat or potatoes with the usual rice, the results obtained have also been indifferent, as Government measures can do but very little in effecting change to the habits and tastes of the people who have been accustomed to eating rice from time immemorial. Of the reclamation of waste land much can not be expected either, because

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Shortage of food-
stuffs and counter
measures to cope
with it

in our country where even the hill-sides and plateaux of small area in the mountain valleys have already been brought under cultivation, there remains little waste land capable of being turned into arable land. According to an investigation made in 1929, against 5,890,000 *chobu* of existing arable land throughout the country, it is estimated that there is at most about 2,000,000 *chobu* of reclaimable waste land. These latter figures are based on purely theoretical calculations without taking into account the economic factors which should be considered in making such estimates to be of practical value, so that the waste land which is really worth while reclaiming, after taking into account the cost of the work, the value of the crops to be obtained and other economic factors, will probably be less than half that area. As for the readjustment of land under cultivation, it has been carried out in recent years nearly throughout the whole country, but not much relief is obtainable therefrom for the disposal of the surplus population (Note: 1). The encouragement of internal migration, that is, migration from densely populated districts to those which have comparatively sparse population, has recently shown some good results, but its effect on the solution of the population problem is by no means considerable.

In these circumstances, in order to effect the solution of the problem by means of the internal or domestic policy, we have no other means than to endeavour to increase the crops by improving various agricultural methods. But as land is already being cultivated in a very intensive manner in Japan, it cannot be made increasingly productive in any noteworthy degree by augmenting, if possible, that intensity. In most parts of the country the land has been already rendered weak in productive power through age-long constant use, so that it has become impossible to make it any more productive in proportion to the expense necessarily incurred in the item of fertilizer. As a matter of fact the Japanese Government have left nothing undone to assist farmers in the way of their obtaining better crops: the measures taken for this purpose including the extension of irrigation systems, the improvement of fertilizers, the encouragement of two-crop methods of farming and the improvement of seeds and seedlings. But the decrease of arable land due to the expansion of cities and the rise of the standard of living of people in general combine to diminish the effects of all these measures, and though through their adoption more or less increase is noticeable in the crops year

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after year, such increase cannot of course keep pace with the extraordinary augmentation of population (Note: 2). This is best illustrated

Note: 1

PROPORTION OF THE RATE OF INCREASE OF ARABLE
LAND IN JAPAN PROPER TO THAT OF POPULATION

Year	Actual Figures		Index Number	
	Area of arable land in <i>chobu</i>	Population	Area of arable land	Population
1919	5,482,377	47,678,396	100.0	100.0
1920	5,819,756	52,527,753	106.1	110.2
1921	6,097,926	58,697,136	111.2	123.1
1922	6,090,394	59,460,252	111.1	124.3
1923	6,039,022	60,257,931	110.1	126.4
1924	6,065,164	61,081,954	110.6	128.1
1925	6,067,015	62,044,649	110.7	130.1
1926	6,080,052	63,073,146	110.9	132.3
1927	6,078,406	64,004,721	110.8	134.2
1928	6,085,464	64,989,736	111.0	136.3
1929	5,897,466	65,891,399	107.6	138.2

Note: 2

PROPORTION OF THE RATE OF INCREASE OF RICE CROPS IN
JAPAN PROPER TO THAT OF POPULATION

(The figures of population are taken from the Statistical Year Book of the Japanese Empire and those concerning rice crops from *Beikoku Yōran*, a hand-book dealing with matters concerning rice.)

Year	Amount of rice crops <i>roku</i>	Population	Comparative amount of rice crops	Comparative population
1919	51,430,221	47,678,396	100.0	100.0
1920	51,711,877	52,527,753	100.5	110.2
1921	63,208,540	58,697,136	122.9	123.1
1922	55,180,468	59,460,252	107.3	124.3
1923	60,693,851	60,259,931	117.9	126.4
1924	55,444,089	61,081,954	107.8	128.1
1925	57,170,413	62,044,649	113.1	130.1
1926	59,704,286	63,073,146	116.0	132.3
1927	55,592,820	64,004,721	108.1	134.2
1928	62,102,541	64,989,736	120.7	136.3
1929	60,303,089	65,891,399	117.2	138.2

by the tendency towards a decrease in the proportion of the numbers of the households of farmers to the total number of households (Note: 3).

97
Importation of
food-stuffs

§ 97.—Such being the situation, we are in a position in which we must make good the shortage of food-stuffs by importation from foreign countries. It goes without saying that this situation will become more and more aggravated in the future. The following figures represent the value of the food-stuffs imported into this country during the past three years:

	1928 (1,000 yen)	1929 (1,000 yen)	1930 (1,000 yen)
Raw food-tuffs	208,894	214,362	147,578
Finished food-stuffs	89,649	56,794	60,718
Total	298,543	271,156	208,296

(From these figures it will be seen that the total value of the foodstuffs which Japan has to import every year is approximately 300,000,000 yen. The gradual decrease seen in the total since 1928 is due to the fall of prices and the good rice crops obtained in Japan Proper as can be seen from the table in Note: 2 to the preceding paragraph. The effects of the economic depression, inducing the general public to economize on articles of diet, must also be taken into account.)

It will be seen how great is the annual shortage of food-stuffs that faces the Japanese people. Compare this state of things with that

Note: 3

PROPORTION OF INCREASE OF FARMING HOUSEHOLDS
IN JAPAN TO THAT OF OTHER HOUSEHOLDS

Year	Total no. of households	Total no. of farming households	Proportion of total no. of farming households to that of all households, farmers inclusive
1920	9,121,156	5,497,918	60.3%
1921	10,682,861	5,539,267	51.9%
1922	10,817,745	5,525,016	51.1%
1923	10,847,595	5,525,298	50.9%
1924	11,064,858	5,532,429	50.0%
1925	11,324,079	5,548,599	49.0%
1926	11,330,551	5,555,157	49.0%
1927	11,695,400	5,561,608	47.5%
1928	Unknown	5,575,881	Unknown
1929	11,837,755	5,575,583	47.1%

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obtaining in the United States of America, where only a little more than 30 per cent of its population produce so much food-stuffs as to be able to export more than \$2,000,000,000 worth of them annually, then it will be instantly understood at what a pass Japan stands. (Vide appended Table No. 1).

§98.—The Japanese people are also suffering from a shortage of clothing materials. Of these materials, the only kind of which the supply is more than sufficient is silk. In all other cases the shortage is even at the present time extreme. Indeed it would be more to the point to say that except a small quantity of hemp, Japan produces practically nothing in this category of raw materials. Cotton fabric is the material with which the Japanese people habitually clothe themselves. Until the Restoration (1868) period it was made of cotton produced at home, but at present we have to depend entirely on imported cotton for its manufacture. Wool was never produced in Japan and what is now produced in the country is negligible in quantity; nevertheless the demand for it having of late tremendously increased, wool and woollen fabric have been and are still being imported in great quantities. A review of the import and export statistics during the past five years shows that in the sum total of exports of clothing materials the balance is always favourable to our country, but this is chiefly due to the large exports of silk. If the value of the silk and silk fabric exported is deducted from the sum total, it will be found that the imports of clothing materials is far in excess of the exports. Thus the yearly average of the excess of imports over exports in this respect during the four years from 1926 to 1929 amounted to as much as 325,000,000 yen (Note). It must be

98
Shortage of clothing materials

Note:

TABLE SHOWING EXCESS OF IMPORTS OVER EXPORTS
OF CLOTHING MATERIALS DURING THE
PAST FOUR YEARS

	1926	1927	1928	1929
	(¥1,000,000)	(¥1,000,000)	(¥1,000,000)	(¥1,000,000)
Cotton and Cotton goods	207	161	128	86
Wool and Wollen goods	143	176	172	136
Hemp and Hempen goods	25	20	23	24
Total	375	357	323	246

(The gradual decrease in the excess of imports is due to the fall of prices and to business depression.)

admitted, however, that about 60 per cent of the cotton imported is exported after its manufacture into yarn and tissue. Deducting then the value of the cotton which is exported in this way, the annual excess of imports on this item amounts on the average to about 240,000,000 yen. Furthermore, the annual excess of imports of dye-stuffs, which are principally used for colouring clothing materials, amounts to several million yen. All these figures go far to demonstrate the extent of shortage of clothing materials from which our country suffers. In view of the extraordinary increase of population on the one hand and the growing popularity of foreign style clothes as well as the tendency towards the increasing employment of woolen fabrics such as muslin-de-laine and serge in making Japanese dresses, there is no doubt that this shortage will be felt more and more keenly in the future.

99
Shortage of building materials

§ 99.—Although being partly self-supporting in building materials, such as stone, cement, sand and earth, the Japanese suffer from a shortage of timber, metals, glass and other building materials, which has to be made good by the importation of such articles to the value of about 100,000,000 yen a year (Note).

Note:

TABLE SHOWING EXCESS OF IMPORTS OVER EXPORTS
OF BUILDING MATERIALS DURING THE
PAST FOUR YEARS

	1926 (¥1,000,000)	1927 (¥1,000,000)	1928 (¥1,000,000)	1929 (¥1,000,000)
Timber	85.7	87.3	92.9	67.4
Plate glass	6.3	5.5	5.7	5.2
Nails	1.0	1.0	1.2	1.1
Metal article for building purposes	1.8	1.6	1.1	0.6
Bricks	0.5	0.3	1.1	0.6
Total	95.3	95.7	102.0	74.9

(The decrease of imports during 1929 was due to the fall of price as well as to the business depression prevailing in Japan Proper. Though the article enumerated above are not used for building purposes only, the total value of imports is given as it stands because it is difficult to distinguish those so used from the rest.)

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§ 100.—The principal countries supplying us with the necessities of life are, as shown in the appended Table No. 2, the United States of America, China, India and Indo-China, all except China being remotely situated from our country. On account of this fact, which necessarily augments freights and other charges, it is inevitable that the cost of living of our people should increase. But apart from this inconvenience, the idea that for economic and political reasons the export to Japan of these articles of daily necessities may at any moment be suspended or restricted causes great apprehensions to the Japanese people for the security of their livelihood. During the Great War, as a result of the enforcement of war time laws and regulations by the countries concerned, the exportation of the more important of these goods was restricted to an extreme. Moreover, due to a shortage of bottoms caused by the shipping being taken up as military transports, and on account of the increased risks of carriage, the Japanese people found themselves in very alarming circumstances respecting the supply of the necessities of life. In particular, they suffered from a dearth of food-stuffs, which paralysed their normal distribution and caused prices to soar to an extraordinary height. In consequence, social unrest was aggravated, culminating in the disquieting popular demonstrations which took place in Tokyo, Osaka and some other places.

What is described above was of course an extraordinary war-time phenomenon and it would therefore be improper to imagine the repetition of a similar state of things at the present time when international peace is well established. But none will venture to assert that none of the countries from which Japan now imports the necessities of life will ever enforce the prohibition or restriction of their export. At the same time, judging from past experiences, it may be feared that the state of crops and possible changes in the economic conditions prevailing in these countries will exercise a great influence on the livelihood of the Japanese people. At all events it is necessary for Japan to prevent the appearance of such domestic difficulties as are likely to result from public anxiety about the security of their means of livelihood by making the supply of daily necessities regular and sufficient as well as by finding a region from which she can obtain their supply without hindrance. It goes without saying that difficulty in gaining a livelihood creates the severest suffering to the public and the removal

100
Countries supplying the necessities of life: insecurity of Japan's national livelihood

of such difficulty will contribute greatly towards the strengthening of the foundation of national existence.

From this point of view, in order to secure the supply of the necessities of life, (which will be required in greater and greater quantities in the future), Japan is forced to seek some region lying within a short distance from her shores, which produces them in ample quantity and can freely and constantly supply her with them.

101
Manchuria and
Mongolia as a
source of supply
of the necessities
of life

§ 101.—Though China and Siberia are potential sources of supply to Japan of the necessities of life, the latter region is not as yet extensively developed, besides being under a special economic organization and a peculiar system of transactions, so that much cannot be expected in this regard for the present. There remains China, but in China Proper civil war is the order of the day, and to make the matter worse, the anti-Japanese movements have always proved to be a great obstacle in the way of supplying our people with the necessities of life. It cannot be expected that this obstacle will disappear in the near future. As has been explained in "The Present Condition of China", the anti-Japanese movement in China Proper is a phase of China's universal xenophobia and an act of unarmed hostility. Its suppression will be possible only when a strong central government is established, and when such a government succeeds in exterminating the long-cherished anti-foreign sentiment of the Chinese people, and puts under strict control all reckless and violent anti-foreign movements. But judging from the past history of China, the appearance of a central government standing on a firm foundation and possessing complete power of control over the whole country is not to be expected, unless something most extraordinary takes place in the domestic situation and the international relations of that country. Accordingly, it is well-nigh hopeless to expect that the anti-Japanese movement in China will before long be entirely suppressed.

When all is said, Japan can find no suitable country other than Manchuria and Mongolia, as far as the Far East is concerned, from which she may confidently obtain materials. Fortunately these two regions have escaped the ravages of civil war during the past twenty years, while their industries have developed and their foreign trade has expanded. Further rapid development of their industries in the future

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may confidently be expected.

By making these two regions a source of supply of the necessities of life to us together with other countries, we shall be able to feel free from apprehensions concerning our national existence. Otherwise we shall perpetually suffer from an increasing shortage of materials as well as from the uncertainty of the means of making it good, and our people will continue to be tormented by the difficulty of securing a livelihood.

Chapter II

Shortage of Raw Material for Manufacturing Industries of Japan and the Uncertainty of Their Supply

102
Shortage of material for manufacture

§ 102.—With regard to manufacturing industries, the development of which is the only means of providing for our surplus population, Japan relies upon foreign countries for the supply of nearly all the material needed except coal. Our industries being at present still in the first stage of their development, their power of absorbing the surplus population is not great. According to investigations made in 1929, the total number of persons working in factories does not much exceed two millions, which number is exceedingly small compared with our total population (Note). In spite of this, as shown in appended Table No. 3, the total value of the raw material imported into the country is more than half the total value of our import trade. If, therefore, we were to expand our industries, as we must, to such a degree as will effectively absorb our surplus population, the amount of raw material which we shall need will necessarily increase more and more.

Note:

NUMBER OF FACTORIES IN JAPAN PROPER AND NUMBER OF HANDS EMPLOYED (at the end of 1929)

Factories:	59,887
Administration staff:	79,438
Technical staff:	60,176
Operations:	1,825,022
Other employees:	102,006
Total	2,006,642
Miners (at the end of June, 1929):	287,229

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§ 103.—Again, to consider Japan's relations with the foreign countries supplying her with the raw material for manufacturing industries, as in the case of the necessities of life, the more important of these are the United States of America, Australia, India, the Philippines, the Malaya, the Dutch Indies, Great Britain and China (Appended Table No. 2). Except the last-mentioned, all these countries are again at a considerable distance from this country. In addition, most of them are either advanced industrial countries or their dependencies or countries which differ little from dependencies. This fact makes our economic position still more insecure than it is in the case of the supply of the necessities of life, the reason being that we have to draw our supplies from the same countries as other advanced industrial countries do. No actual inconvenience is now felt by Japan on this account, but when we ask ourselves whether the present state of things will continue in the future we cannot be wholly free from anxiety. The reason is that though as long as the countries which now supply ours with raw material produce more than enough to supply demands of their own, or of their mother countries or countries in the neighbourhood of their mother countries, Japan will not suffer from lack of it, yet, considering the long strides now being made by many countries in the development of their industries it is not improbable that a time may come when our country will be denied the supply of raw material. It is of course imaginable that when there is increased demand an expansion of production will follow, but there are certain kinds of raw material of which no great increase in production can be expected. Even granting that there is room for a very considerable increase in their production, there can not but be some limit to that. Frankly, it is not unreasonable for us to entertain a fear as to whether advanced industrial countries will long continue to supply the material to our industries which compete with their own.

Examples furnished by the Great War showed us how inconvenient and disadvantageous to us were the temporary restrictions on export, which were put in force by the countries concerned in the course of the war. Even granting that no such extraordinary situation will reappear in the future, yet if the economic policies of advanced industrial countries should be directed towards the prohibition or restriction of the export of raw material to this country, the blow dealt to us

103.
Insecurity in the
supply of raw ma-
terial to Japan

would be very heavy, far heavier than any temporary prohibition or restriction could give us, and we should find ourselves in a very uncomfortable position.

The only way to remove this fear is to abolish by international agreement all such measures as now being taken by the Powers as impede free trade. If this is done Japan will be freed from anxiety that her supply of raw material might be cut off. But the existing state of things throughout the world does not allow us to entertain any optimistic hopes in this respect. On the other hand, Japan, confronted, as she is, with the problem of providing for her surplus population which increases at the yearly rate of 800,000 to 900,000, is pressed by the necessity of finding some assured mode of continuing her national existence and cannot leisurely wait for the arrival of a time in the distant future when international free trade will be established by international arrangement. Indeed the ensuring of a constant supply of raw material for our industries is as important a problem concerning our national existence as the problem of ensuring the safety of our State, which has been dealt with in Part I of the present volume.

Although Japan is determined to maintain her economic existence by all means, yet on that account she has no intention of causing injury to the economic interests of advanced industrial countries, nor has she any idea of severing her relations with those countries from which she now receives the supply of material for her industries. Even if she desired it, it would be impossible for her industries to ruin theirs, which have already made such wonderful advances. As regards securing the supply of raw material for her industries, it goes without saying that it is also impossible for her to keep the latter going without importing raw material from districts which are under the rule of advanced industrial countries. What we desire is to free, if possible, our industries, even to some small extent, from that position of entire dependence on other countries in which they now stand, and to make them in a greater or less degree independent. In other words, we desire to escape to a certain extent from the extremely weak position we now occupy, which may be undermined at any moment at its foundation by the import and export policies and other measures adopted by advanced industrial countries.

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§ 104.—Viewed from the above-mentioned standpoint, we must look to China, which is nearest to Japan with rich resources of certain descriptions, as a source of the raw material needed for our industries. Little, however, can be expected of her in this connection, because, as has already been stated, China Proper is torn by civil war and violent anti-Japanese movement is in progress there. Furthermore, the development of capitalism in that country in recent years has to a certain degree stimulated control of the export of raw material, if not to the same degree as is the case in advanced industrial countries. As a matter of fact, along with her recovery of customs autonomy China has raised the rate of import duties with an eye to the protection of her home industries. Another example is afforded by the restrictions she has lately placed on the export of cotton.

And in view of the fact that the industries in Japan and in China are nearly the same, we must be prepared to face the fact that the more China Proper is converted to industrialism the narrower will become the scope of the dependence of our industries on raw material from that country. From whatever point of view we look, we must come to the conclusion that Manchuria and Mongolia form the most promising country as a source of the supply of raw material to our industries.

104
 Capitalistic development in China and her control of export of the raw material of industry

Chapter III

Importance of Manchuria and Mongolia as the Source of Raw Material for Japan's Manufacturing Industries

105
Why Manchuria
and Mongolia
make a promising
source of the raw
material of manu-
facture

§ 105.—Why Manchuria and Mongolia are important to Japan as the source of raw material of her manufacturing industries must be considered from three angles. These are firstly their rich resources, secondly the stability they afford to Japan in the supply of raw material, and thirdly the special position occupied by Japan in respect of their resources.

106
Rich resources

§ 106.—A detailed account of the resources of Manchuria and Mongolia will not be attempted here, it being outside the scope of this volume. Suffice it to say that the industries of the two regions chiefly consist of agriculture, stock-farming and forestry, in addition to the incomplete exploitation of mines. A brief description of the above-mentioned industries follows:—

The products of the agricultural, stock-farming and forestry industries in Manchuria and Mongolia are of fairly numerous varieties, but among them all, the soya beans and other material for the oil industry, *kaoliang*, cotton, sugar beet, hemp, tussah silk, medicinal herbs, material for paper industry, wool and tobacco may be mentioned as raw materials for manufacturing industries. There is much scope for augmentation in the production of all these goods, which are headed by the soya beans constituting more than 60 per cent of the world's crops, and the extent and sphere of supply of these goods as raw material for our industries, aided by the man power of some one million immigrants coming annually from China Proper, are expanding year by year.

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§ 107.—The products of the agricultural, stock-farming and forestry industries, except those which fulfil local requirements, should freely be exported to foreign countries or to China Proper, and foreigners, alike with Chinese, should enjoy the freedom of dealing in them. This is so obvious a matter that there is no need to point out the relevant treaty provisions. But cases have frequently occurred in which the Chinese authorities, partly through their anti-foreign policy and partly for the purpose of raising war funds or lining their own pockets, have placed unreasonable and unlawful restrictions on commercial transactions in these goods. In particular they have often cornered soya beans, *kaoliang* and millet, which are the staple products of Manchuria and Mongolia, and have thereby greatly hampered the purchase of these goods by foreign merchants. In accomplishing this, they usually issued through subservient government banks unsecured paper money in unlimited quantities and, coercing the helpless farmers with a display of the irresistible power with which they were invested, bought these goods from them with this almost worthless paper money, either directly or through the medium of *kuanshang* (commercial concerns managed by the government or enjoying the special patronage of the government) and then sold them to foreign merchants at Dairen or Yingkow, obtaining thereby much profit in hard cash. Naturally, this practice of theirs of enriching themselves at the expense of the farmers, besides being the subject of much complaint on the part of the latter, interfered with the business of foreign merchants at the place of production and caused an undue rise in the price of the goods. The foreign merchants affected urgently pressed for the cessation of this practice, reminding the Chinese authorities of its illegality, as in contravention of their treaty rights it deprived them of their freedom to conduct commercial transactions. Absorbed, as they were, however, in carrying out their anti-foreign policy, as well as in promoting their own interests, the Chinese authorities never responded to their protests but went on unhampered with their own tyrannical way.

For solving the question of surplus population by developing our industries with the aid of raw material obtained from Manchuria and Mongolia, Japan must have all anti-foreign measures of this description completely wiped out. No matter who may be in power in these two regions, if they sincerely observe treaty provisions and recognise the

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 Unlawful interference by the Chinese Government in commercial transactions

equal freedom in commercial transactions for both nationals and foreigners alike, Japan will be in a position to hope for the stability and development of her industries. It is needless to say this is one of the most important conditions for our country to maintain its existence.

108
Mines in Manchuria and Mongolia and anti-foreign measures of the Chinese authorities

§ 108.—Coming next to the subject of mines in Manchuria and Mongolia, nearly all of these, except such as have been subject to Japanese rights of exploitation acquired by treaties and agreements, remain undeveloped. This is due to the fact that the Chinese were not interested in this branch of industry as well as to the fact that the anti-foreign policy of the Chinese Government did not permit foreign capital and superior foreign technical skill to be freely employed in its development. As it is, the greater part of Manchuria and Mongolia has never been scientifically investigated in regard to their mineral resources. In spite of this it is even to-day well recognized that the two regions contain fairly rich veins of coal, iron, lime and light metals.

It is possible that when the mining industry is thrown open to natives and foreigners alike and prospecting is scientifically conducted at various places many new mines will be discovered. How these mines will be developed depends of course on the mining policy of the Chinese authorities. If they should maintain the hostile attitude they used to adopt towards mining rights in the possession of foreigners, participation by the latter in the mining industry in Manchuria and Mongolia would be extremely difficult, and the fundamental anti-foreign policy of the Chinese being naturally applied to the granting of mining rights to foreigners, the result would be the virtual closure of all mines in Manchuria and Mongolia to foreigners (Note).

Note:

Article XL of the Franco-Chinese Treaty of Tientsin, 1858 provides that no obligations other than those explicitly stipulated in treaties can be imposed upon nationals of treaty Powers. In spite of this provision, the Chinese Government have placed arbitrary restrictions on the mining rights and auxiliary rights thereto created by treaties and contracts by the enactment of municipal legislation in this respect, and have continued to ignore the protests made by the Powers concerned, the question still remaining as one of the principal

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items of dispute between China and the foreign Powers. The latest mining law of China, promulgated in 1930, contains many anti-foreign provisions. The following are the more noteworthy of them:

"Article V. The right of working the minerals enumerated in Article II (51 kinds of minerals beginning with such important metals as gold, silver, copper and iron and ending with earth, ceramic clay, etc., as also all other minerals which shall be designated by the National Government) except in mines under Government management as provided in Article IX and those reserved for Government exploitation as provided in Article X, may be acquired by citizens of China in accordance with the present law. The *hsien* or city governments of the localities in which the mines are situated enjoy preferential privileges with regard to all these rights.

"In case the mining enterprise of citizens of China as indicated in the preceding paragraph is undertaken by a corporation, foreigners may be permitted to participate in the holding of shares only in case such corporation is a joint-stock company, provided the following restrictions are observed:

1. More than a majority of the shares of the company shall be owned by citizens of China.
2. More than one-half in number of the directors of the company shall be citizens of China.
3. The chairman of the board of directors and the managing director of the company shall be citizens of China".

"Article IX. Iron and petroleum, copper ore, and bituminous coal fit for the manufacture of metallurgical coke can be worked by the Government alone, the State carrying out the prospecting and working. In case there is no necessity for the State to carry out this prospecting and working, the right of prospecting and working may be leased. Lessees under this provision must be citizens of China.

"The Government have the preferential right of purchasing mining sites containing iron, petroleum and copper.

"Contracts concerning the quantity and time of the export to foreign countries of any of the minerals mentioned in the preceding paragraph become effective only when the approval of the competent central authorities has been obtained to the agreements entered into. In case of necessity restrictions may be introduced.

"Article X. In case the Ministry of Agriculture and Mining deems it necessary to reserve the minerals mentioned in the preceding Article as well as any of the following minerals, mining sites containing them may be designated as reserved sites and prospecting and working of them may be prohibited:

- | | | |
|----------------|--------------|--------------|
| 1. Tungsten | 2. Manganese | 3. Aluminium |
| 4. Antimony | 5. Radium | 6. Potassium |
| 7. Phosphates" | | |

"Article XLI. A mining right shall immediately be revoked:

1.
2. When the mining right is transferred to or made a security in favour of a foreigner.

....."

"Article LXI. No foreign capital may be invested in a mining industry undertaken on a small scale".

Such measures are obviously in contravention of the existing treaties, and are, needless to say, unlawful. The Chinese Government however, utterly ignoring this fact, continued to adhere to their anti-foreign policy, so that it may safely be maintained that the mining rights possessed by foreigners in that country are limited to those obtained prior to the enactment of the anti-foreign mining laws or else those acquired by virtue of special treaties and agreements. In these circumstances, sincerity on the part of the Chinese authorities in the observance of treaty provisions is the first pre-requisite to the development of the mining resources of Manchuria and Mongolia. Whoever may take up there the reins of administration, if they will adopt a policy of faithfully observing treaty obligations, the prospect of the mining industry in these two regions will be very promising, as many mines will be thrown open to both natives and foreigners for exploitation. Some of these mines will come into the hands of the Japanese and will supply materials for our manufacturing industries. At the same time if capital is invested in this branch of industry from all parts of the world, there is no doubt that the economic importance of the two regions will become more international than ever.

109
Geographical pro-
ximity of Japan
to Manchuria and
Mongolia

§ 109.—The second reason for which we believe that Manchuria and Mongolia form a favourable source for the supply of raw material for our industry is the proximity of the territory to Japan, which increases the safety of their transport. If Japan must always continue to import, as she does at present, almost the whole of her raw material from distant countries, this presents not only inconveniences in time of peace, but what is more serious, their transport would be particularly threatened in time of war. This reflection will convince anyone of the necessity incumbent upon Japan to turn to Manchuria and Mongolia for the supply of some part at least of her raw material. Another point that must at the same time be observed is that, since these regions are still in

"Article CVIII. A person shall be liable to penal servitude for a term not exceeding three years or a fine not exceeding 3,000 *yuan*:

1.
2. If he commits act against the provisions of Article XLI, 2.
....."

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a primitive stage of development and production, they present no kind of difficulty of an economic order for the exportation of raw material. The ideal would be to make of these regions a permanent and guaranteed source of supply as well as a permanent outlet for our manufactured goods. However, for various reasons, it is too much to hope that this ideal should ever be realized in practice. Thus a relatively important quantity of soya beans, for example, which constitute the raw material for the manufacture of oil, is at present absorbed by the oil press operating in Manchuria and Mongolia. We must also take into consideration the future development of these regions. These restrictions, however, would concern nothing more than a certain category of products; and in a general way we can count upon these regions as a permanent source of raw material for our industry, and if ever we should be unable to count upon them, the very existence of our country would be seriously menaced.

§ 110.—Now the importance of Manchuria and Mongolia as the source of supply of the raw material which is necessary to our industry must be considered in respect of Japan's peculiar relation with these two regions.

110
Position of Japanese in Manchuria and Mongolia from the economic point of view

From the economic point of view these relations are of particular importance to Japan, in that she has already established in these regions a sound economic position. Since Japan made Czarist Russia restore Manchuria to China twenty years ago, the Japanese have shown a remarkable economic activity there, including, as has already been described, the establishment of a network of railways, the organization of financial institutions and the development of various industries, so much so that the exploitation of these regions is chiefly due to the direct and indirect efforts of Japan. Her efforts have moreover been directed to securing the peace of the Far East, the prosperity of China and the economic progress and cultural advance of her people. In return for all this we have a legitimate claim to some recompense for these great services that we have rendered. The chief recompense to which Japan considers herself to be entitled is no more than a fair and adequate supply of those products which are necessary to the daily life of her people and to her industries as their indispensable raw

material. This desire has been satisfied in a certain measure, despite the violent anti-Japanese movement, the recital of our rights and interests (*vide* Part II) actually acquired in the regions bears witness to this. As to the sacrifices we have made in order to acquire these rights, without speaking of the enormous loss of life and treasure in the Russo-Japanese War, and also without speaking of the imponderable efforts exerted by the Japanese, which cannot be calculated in figures, we will here mention only the pecuniary capital that Japan has actually invested in Manchuria, and which amounts to something like 1,400,000,000 yen, distributed in the following manners:—

	Yen.
Railways and Transport	822,000,000
Agriculture, Mining Industry, and Forestry	118,000,000
Trade and Commerce	118,000,000
Banks and Other Financial Institutions	205,000,000
Industry	106,000,000
Electricity and Gas	37,000,000
Miscellaneous	37,000,000

These are the investments of capital which have founded the present economic position of Japan in Manchuria and Mongolia. And this wealth provides us with a basis for the future exploitation of the resources of these regions, and prepares them for our future activities. It must be noticed here that our economic activities are ever more profitable to China than to Japan. By reason of these special relations, therefore, it is impossible for us to admit that our economic activities should be hampered by recurring anti-Japanese movements. This is why we have endeavoured, with considerable patience, but in vain, to eliminate these obstacles through diplomatic negotiation, and why we have seen ourselves obliged to resort to measures of necessary protection.

It is not necessary to repeat here once again that the safeguarding of our rights and interests acquired in Manchuria and Mongolia is absolutely indispensable to the existence of our country. We shall depend more and more in the future upon the economic activity of our people in these regions in making still greater use than in the past of the products there to be obtained. It was because we had in mind this plan that, at the time of the conclusion of the Sino-Japanese Treaty of 1915, we proposed the abandoning of our rights and interests in Shantung in

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exchange for the increase of our rights and interests in Manchuria and Mongolia. Likewise, in the future we should obtain a still greater liberty concerning the utilization of the products of these regions. It is only natural for us to entertain this hope in view of the great sacrifices we made in the past as well as of the economic position we now possess there.

§ 111.—The peculiar position Japan occupies in respect of the maintenance of peace in Manchuria and Mongolia is still another reason for which we may consider these regions as a particularly favourable source of supply for raw material. In fact the maintenance of peace is one of the essential pre-requisites of all progress in production. Now, contrary to the experience of China Proper, Manchuria and Mongolia have seen, at least during the last twenty years, their production increase, their culture advance, the exportation of their products increase with astonishing rapidity. All this has been realized in the perfect enjoyment of peace, which fact owes mainly to the untiring efforts of Japan. We have already explained the relations of Japan with Manchuria and Mongolia in this question of the maintenance of peace in Chapter XVII of Part II of "The Present Condition of China" as well as in Chapter I, Part I of the present volume. If there had not been this direct and indirect influence exercised by Japan, the peace and order of Manchuria and Mongolia would have been constantly threatened, either from within or without. Is there any other country in the world for which the peace and security of Manchuria and Mongolia is so vital a question as to touch her very existence itself, and who would make any serious effort to maintain it? How many, indeed, are there who would be capable of doing so?

For Japan the case is different. For us, any disorder in these regions means at the same time a menace to our existence as a nation. Therefore, we do not hesitate to risk the very existence of our nation in order to remove any such danger, and that in the interest of Manchuria and Mongolia and not in the exclusive interests of Japan alone. We are convinced that it will be a contribution to the peace and well-being of humanity if we can maintain peace in, and secure the unhampered exploitation of the productivity of, these regions, which possess

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Japan is in a position to remove menace, both external and internal, to the peace and order of Manchuria and Mongolia

unlimited wealth as well as great latent capacity of economic expansion. Accordingly, Japan will leave no stone unturned in the future to pursue the policy, which has up to the present been hers, of maintaining peace in Manchuria and Mongolia, and thus create a guarantee for the Japanese in their utilisation of the resources and wealth of these regions.

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Chapter IV

Manchuria and Mongolia and the Problem of Securing
Markets for Our Manufactures: the Question
of Emigration to the Two Regions

§ 112.—Even should the supply of raw materials for primary necessities as well as for our manufacturing industries, be guaranteed by making use of the products of Manchuria and Mongolia and thereby eliminating all danger of economic insecurity to our country and encouraging our industries, Japan would still fall ultimately into economic distress, and would still feel the pressure of economic dangers so long as we shall be unable to find an assured outlet for the exportation of our manufactured goods. Thus we must investigate in what measure it may be possible for us to count upon Manchuria and Mongolia as an outlet for our manufactured articles. It is a problem which it is now incumbent on us to study.

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The problem of
securing markets
for our manufac-
tures

§ 113.—According to the course of our export trade up to the present, the greatest demand for our manufactures has come from the American continents, and the annual value of the trade in this direction has varied in the three years, 1928 to 1930 inclusive, between 550,000,000 yen and 900,000,000 yen approximately. Next comes Asia with her demands of about 700,000,000 to 910,000,000 yen approximately, each year during the same period. Finally there is Europe in the third place with an annual demand of about 125,000,000 to 160,000,000 yen. If, however, the American continents are at the head of the list, it is because of the 400,000,000 to 760,000,000 yen worth of raw silk that we export annually to the United States. If we deduct the amount of this exportation, the Asiatic continent occupies the first place. Then come the American and European continents, which are about equal in importance, and finally Africa and Oceania (Note). Since there

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Actual situation
respecting the ex-
portation of our
manufactures

Note:

TABLE SHOWING VALUES OF EXPORTS FROM JAPAN

Country	1928	1929	1930
Asia:	(¥1,000,000)	(¥1,000,000)	(¥1,000,000)
China	373,1	346,7	260,8
British India	146,0	198,1	129,3
The Kwantung Leased Territory	110,2	124,5	86,8
The Dutch Indies	73,4	87,1	66,0
Hongkong	56,2	61,1	55,6
The Philippines	29,1	30,6	28,4
Asiatic Russia	11,2	15,0	27,0
Straits Settlements	20,4	27,9	26,9
Siam	5,8	10,6	9,5
French Indo-China	4,1	2,7	2,4
Others	5,4	11,0	5,1
Total	834,9	915,2	704,0
South, North and Central America:			
The United States	826,1	914,1	506,1
Canada	27,1	27,1	17,9
South American Countries	21,1	23,0	16,4
Central American Countries*	5,4	6,6	4,7
Total	879,7	970,8	545,1
Europe:			
England	58,9	63,2	60,7
France	63,4	44,5	26,3
Germany	12,6	13,4	11,1
Others	25,4	26,1	27,3
Total	160,3	147,2	125,4
Africa:			
Egypt	23,7	31,4	29,0
Union of South Africa	11,7	13,2	14,2
East Africa	6,4	13,1	10,7
Others	2,1	2,9	3,2
Total	43,9	60,5	57,0
Oceania:			
Commonwealth of Australia	43,0	44,1	25,5
Others	10,0	10,7	10,1
Total	53,0	54,8	35,6
Grand total	1972,0	2148,6	1467,7

* The value of export to Mexico is included. Further, a small amount of export to countries in North America other than the United States, Canada and Mexico is included, but that for 1928 and for 1929 is unknown. The amount for 1930 was about 400,000 yen.

The above table has been prepared from the figures given in the Monthly Return of the Foreign Trade of Japan published by the Department of Finance. Discrepancy in the sum totals is accounted for by the fact that less than 4 has been disregarded and more than 5 counted as one unit.

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is no doubt that the industries we could develop in the future, by making use of materials obtained from Manchuria and Mongolia, would be other than that of silk, the continent of Asia will in coming days occupy the leading position among the markets of Japanese manufactures. Now in these purchasing regions which take our manufactured articles there is observable a growing tendency to limit, or even to put a complete stop to, the importation of foreign goods, by administrative measures with a view to the encouragement of home industries. This tendency, which is becoming more and more manifest, it seems impossible to check, at least so far as the immediate future is concerned.

§ 114.—For this reason it is indispensable that we should assure for ourselves somewhere a permanently available market for our manufactures. Now it appears that Manchuria and Mongolia answer this need best. Though these regions can count to-day but 30,000,000 inhabitants, there can be no doubt that in the future the population will increase rapidly, that production will be stimulated, that culture will advance, and that these regions will become a vast zone capable of consuming our manufactured articles. This is especially so in view of the fact that the centre of economic gravity in the Northern Hemisphere tends to-day to verge unceasingly towards the north. It is impossible to calculate with precision the population that Manchuria and Mongolia can accommodate in the future, we may nevertheless say, by basing our calculations on the area of land under cultivation, that, as approximately 13,000,000 *chobu* of land alone are actually cultivated out of a total of 30,000,000 *chobu* of cultivable land, these regions should be able to accommodate and feed another 40,000,000 more inhabitants, if we may be permitted to assume that the present distribution of the farming population can be applied to the lands at present remaining uncultivated. Moreover, as the greater part of the forest land (whose total surface is 36,000,000 *chobu*), is not yet exploited, if the greater part of these forests can be felled, this work also will absorb no small population. Besides, as most of the forest land thus cleared may be converted into arable land, that would provide another 20,000,000 *chobu* more land amenable to cultivation, even setting aside such forest land as,

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Manchuria and
Mongolia as mar-
kets for our ma-
nufactures

for various reasons, would have to be preserved. Supposing that the present state of distribution of the agricultural population continues, there is still the possibility of accommodating some fifty to sixty million more inhabitants. As an increase in population, it is always presumed, brings with it a natural improvement in the agricultural methods employed, the real capacity of maintaining population will necessarily be greater than to-day. On the other hand, the development of the exploitation of the mines, and that of other industries which are still in a primitive stage, will also be contributory to the increase of population.

All these circumstances induce us to conclude that the population of these regions will be quite considerable in the future and, when we take into account their not very high standard of living, Japanese articles seem calculated to satisfy the demands of these inhabitants. Moreover, the great capacity of Manchuria and Mongolia to accommodate a large additional population will provide an outlet for the emigration of our own excess population, and the more numerous our emigrants are, the more will they facilitate the production and utilization of the raw material for clothes, food and housing, as well as the raw material of manufacturing industries, while the more will the demand for Japanese goods increase.

It is again, therefore, in this light that we have regarded Manchuria and Mongolia as regions extremely important for the existence of our country, and that we have always endeavoured as far as possible to realize this ideal of ours. If Japan has made in the past enormous sacrifices in these regions with a view to obtaining various rights and interests, it has been in order to attain this end. However, since the utilization of these acquired rights and interests alone was by itself insufficient to realise this object, we have counted upon a maximum economic activity of our people to be exercised in these regions, in so far as the various treaties and agreements permit.

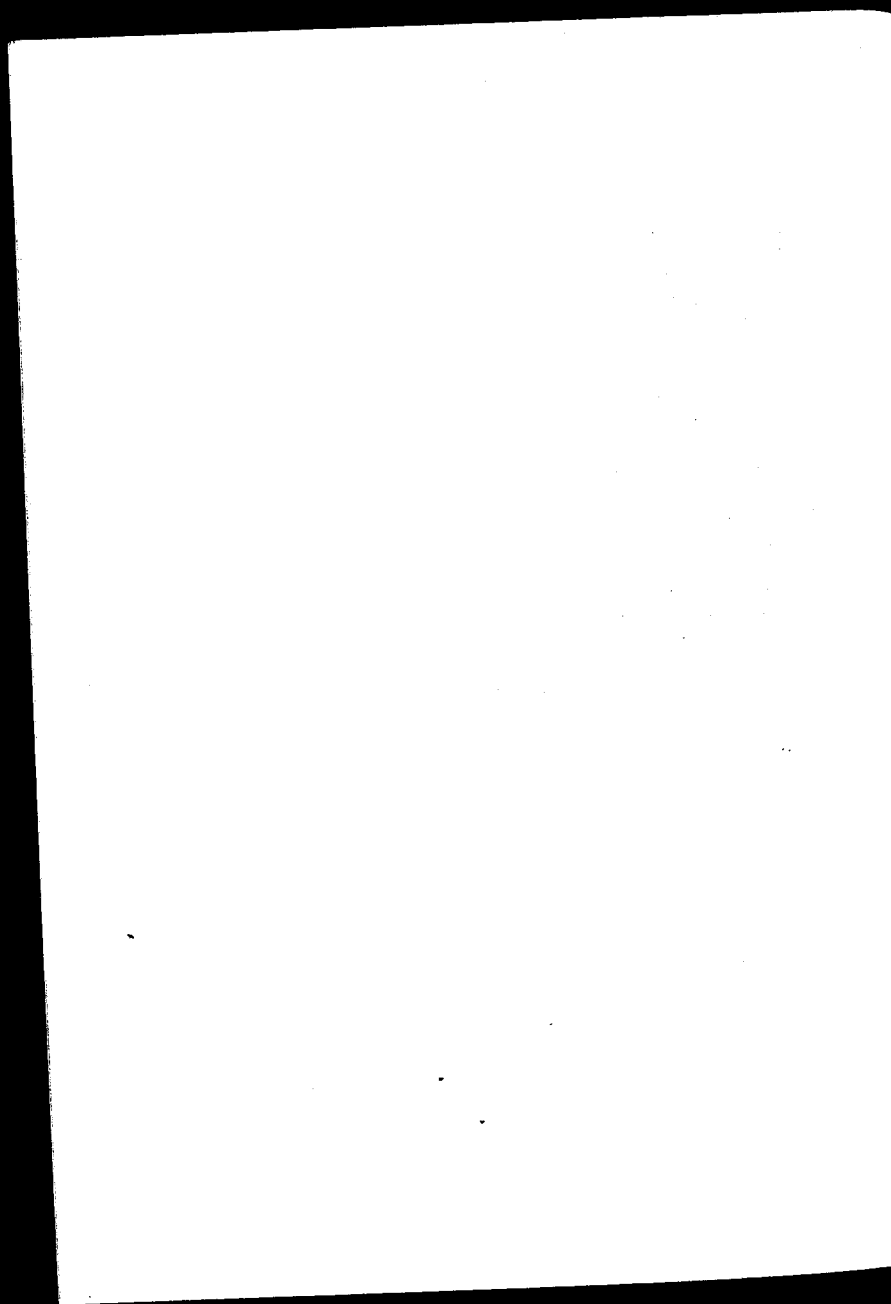
Japan desires the safety of livelihood for her subjects, the protection of her vested rights and interests, and the realisation of the various conditions explained above, which are necessary to the solution of the problem of her surplus population. For this Japan hopes that the Chinese authorities may be led to respect the spirit and the letter of the treaties, and may be brought to understand the profound significance of her own desire for the continued existence and the prosperity of China

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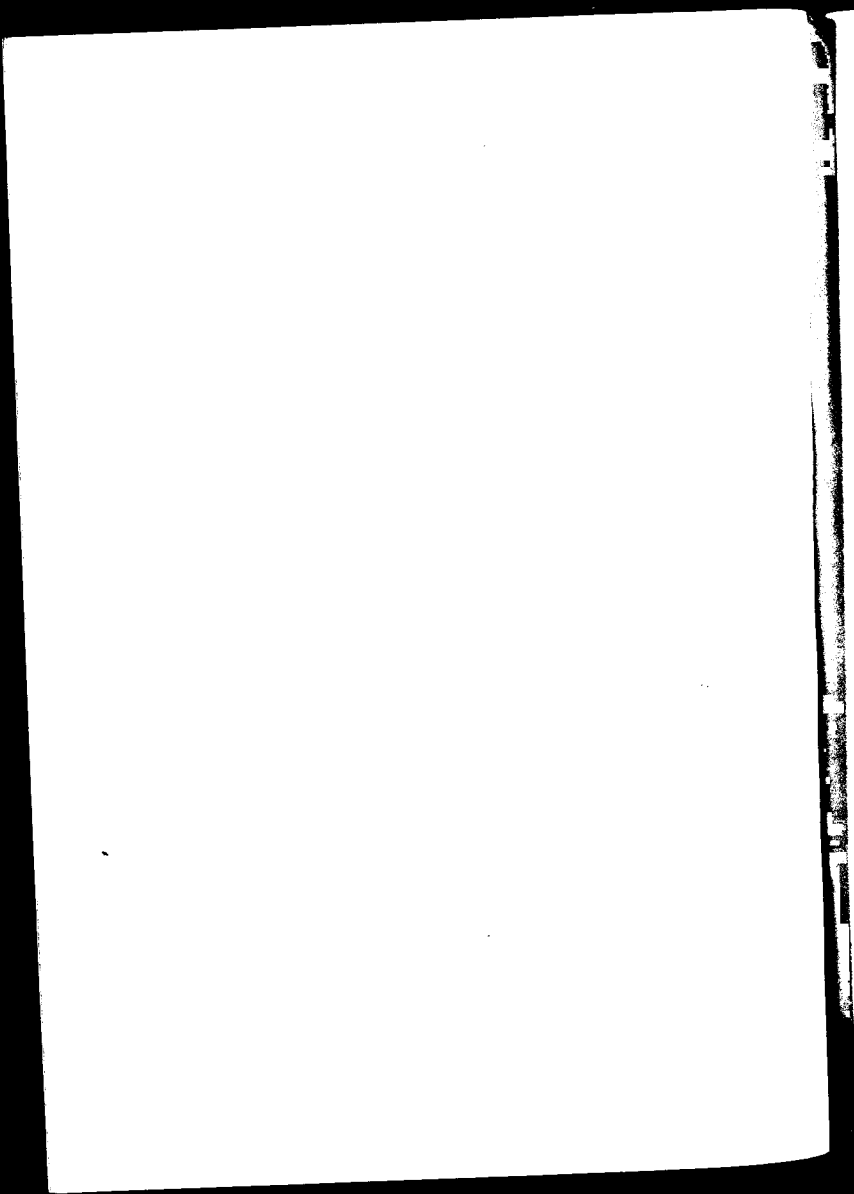
and Japan side by side. But China has always ignored the history and traditions connecting Japan with Manchuria and Mongolia, while she has never taken into account the special relations arising through the proximity of Japan to these regions. And not only has China never had any wish to satisfy the sincere and legitimate desires of the Japanese in Manchuria and Mongolia, but she made the exclusion of the Japanese one of the key-notes of her policy towards Japan. That we have not been able to accept such a policy is only too natural; we have indeed considered it as constituting a threat to our country. While firmly resisting such a threat, Japan has always invited China through diplomatic channels to reflect seriously upon her conduct. But these attempts have had no satisfactory result, and worse still, acts of violence instigated by the vicious anti-Japanese propaganda have been committed in all directions during the last few years, and even the thorough elimination of our vested rights and interests in Manchuria and Mongolia has been attempted. As our position in these northern provinces was about to sustain an increasing set-back as the result of provocations and unlawful actions on the part of the Chinese, and since the Japanese nation saw its very existence compromised and dangers imminent, which could only become more and more threatening if a decision were postponed, Japan found herself obliged at last to adopt the necessary measures for the protection of her rights.



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APPENDIX

The Tables given herein are prepared from the statistics
published by the Department of Finance.

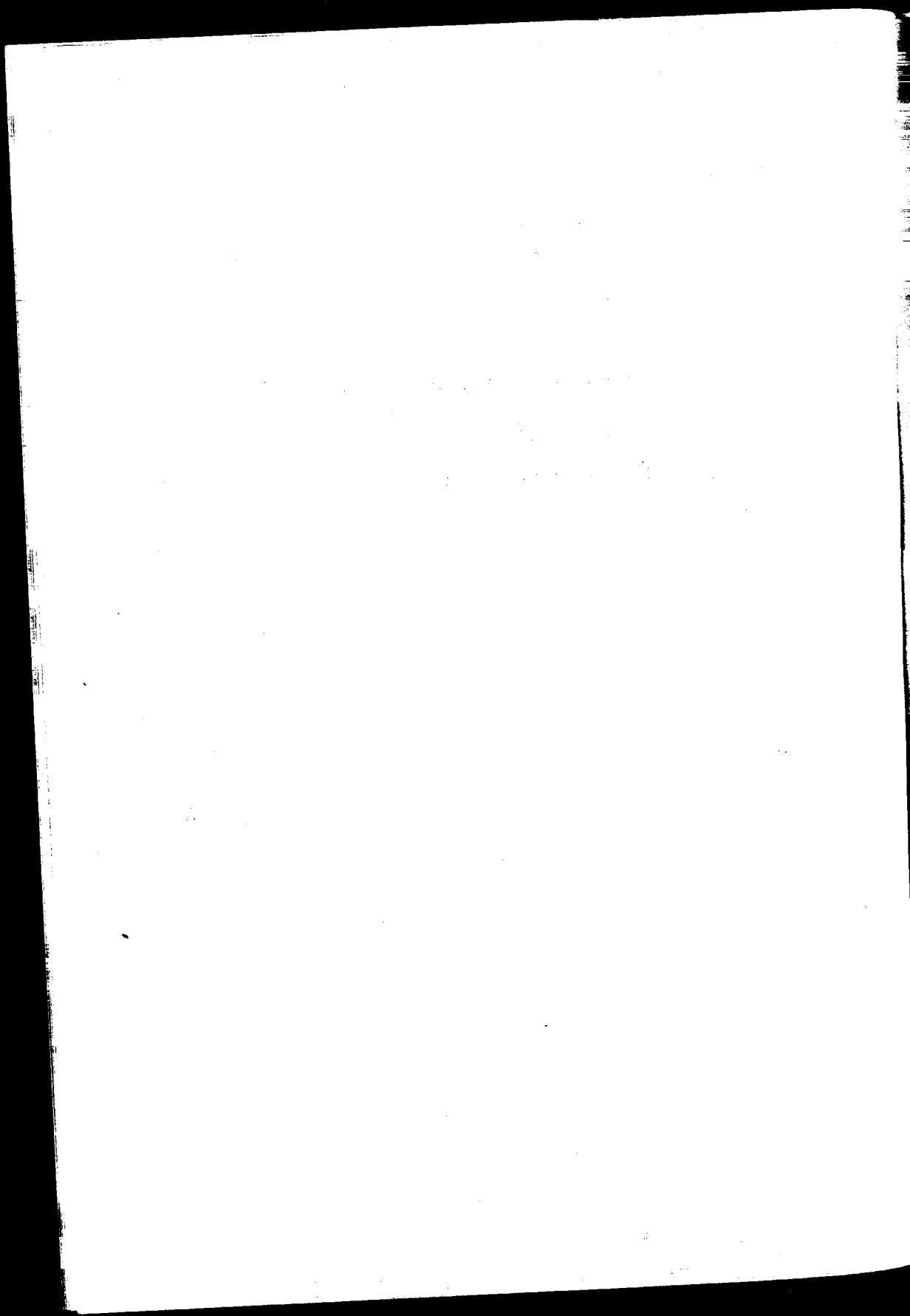


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Table No. 1

**Tables Showing the Supply and Demand
of
Food-stuffs and Fertilizers**



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(1) Japan Proper.

Exports and Imports of Food-stuffs and the Ratios

Thereof to Total Exports and Imports

(Unit: ¥ 1,000 in Japanese Currency)

Year	Exports and the Ratios Thereof to Total Exports					Imports and the Ratios Thereof to Total Imports				
	Total exports	Raw food- stuffs	Ratio %	Finished foodstuffs	Ratio %	Total imports	Raw food- stuffs	Ratio %	Finished foodstuffs	Ratio %
1926	2,044,728	49,170	24	98,125	48	2,377,484	243,221	102	107,059	45
1927	1,992,317	54,165	27	91,397	46	2,179,153	222,727	102	100,813	46
1928	1,971,955	40,129	20	116,151	59	2,196,315	208,894	95	89,649	41
		(6,940)	(0.4)							
1929	2,148,619	48,155	22	111,963	52	2,216,240	214,362	96	57,794	26
1930	1,469,852	42,060	29	86,760	59	1,546,051	147,578	95	60,718	39

(The units of volume and value are 1,000 koku—one koku is
 approximately 5 bushels—and 1,000 yen respectively)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Defi- ciency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Rice	1927	Volume	62,102	12,670	1,284	11,386	73,488
		Value					15.3%
	1928	Volume	60,303	11,255	985	10,270	70,573
		Value	1,633,009				14.5%
	1929	Volume	59,557	8,909	539	8,370	67,927
		Value	1,584,575				12.3%
	1930	Volume	66,875	8,602	539	8,063	74,938
		Value	1,117,916				10.7%
	1931	Volume	55,215				
		Value					

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Barley, Wheat, Rye and the Like	1927	Volume	13,125	3,434	306	3,126	16,251	19.2%
		Value		54,088	4,316			
	1928	Volume	13,995	4,850	199	3,751	17,746	21.2%
		Value		68,170	2,049			
	1929	Volume	13,441					
		Value						
	1930	Volume						
		Value	13,216					

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Beans	1927	Volume	5,341	5,259	34	5,225	10,566	49.4%
		Value		70,325	983			
	1928	Volume	5,432	5,181	33	5,148	10,580	48.6%
		Value		83,463	814			
	1929	Volume						
		Value						
	1930	Volume						
		Value						

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Millet (Panicum Crue Galli var, Frumentaceum; Panicum miliaceum)	1927	Volume	1,932	117		117	2,049	5.7 %
		Value		1,372				
	1928	Volume	1,879	199		199	2,078	9.5 %
		Value		2,299				

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Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Indian Corn	1927	Volume	641	259	259	900	28.7 %
		Value		2,037			
	1928	Volume	549	284	284	833	34.0 %
		Value		2,791			
	1929						

(The units of volume and value are 1,000 kilogrammes and 1,000 yen respectively.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Millet "Kaoliang"	1926	Volume					
		Value					
	1927	Volume	42,160		42,160	42,160	100.0 %
		Value	2,770				
	1928	Volume	60,813		60,813	60,813	100.0 %
		Value	3,952				
	1929	Volume	46,266		46,266	46,266	100.0 %
		Value	3,270				
	1930	Volume	49,968		49,968	49,968	100.0 %
		Value	2,853				

(The units of volume and value are 100 kin—100 kin is approximately 132 lbs.—and 1,000 yen respectively.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Peanuts	1927	Volume	187,193	182,879	182,879	370,072	49.5 %
		Value		2,277			
	1928	Volume	180,717	195,227	195,227	375,944	52.0 %
		Value		2,470			

(The units of volume and value are 1,000 kilogrammes
and 1,000 yen respectively.)

Description	Year		Volume entered and imported
Fodder	1927	Volume	207,703
		Value	13,325
	1928	Volume	310,712
		Value	20,979
	1929	Volume	362,233
		Value	24,646
	1930	Volume	363,530
		Value	20,930

Description	Year		Volume entered and imported
Meat (including beef)	1927	Volume	18,595
		Value	7,962
	1928	Volume	16,684
		Value	6,972
	1929	Volume	17,527
		Value	7,158
	1930	Volume	18,707
		Value	8,340

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Defi- ciency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Fertilizers	1927	Volume	2,369,058	1,333,745	13,246	1,320,499	3,689,557	35.0%
		Value	170,585	101,148	1,371			
	1928	Volume	3,124,323	1,069,748	26,291	1,043,457	4,167,779	25.0%
		Value	197,834	88,787	2,800			
	1929	Volume	2,903,994	1,000,023	35,495	964,529	3,868,523	24.9%
		Value	210,757	78,503	4,002			
	1930	Volume		1,087,382	10,558			
		Value		67,757	1,080			

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Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Salt	1926	Volume	614,133					
		Value						
	1927	Volume	619,138	218,396		218,396	837,534	24.8%
		Value		3,594				
	1928	Volume	637,887	227,280		227,280	865,167	26.2%
		Value		3,732				
	1929	Volume	644,150	286,608		286,608	930,758	30.7%
		Value		4,415				
	1930	Volume		307,130				
				3,986				

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the Volume of demand
Sugar	1927	Volume	101,544	421,370	157,864	263,506	365,050	
		Value		75,804	28,917			
	1928	Volume	121,509	381,055	227,998	158,057	279,566	
		Value		64,959	38,415			
	1929	Volume	118,292	227,717	193,256	34,461	152,753	
		Value		31,160	29,975			
	1930	Volume		244,658	218,238			
		Value		25,973	26,735			

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(2) Taiwan (Formosa).

(The units of volume and value are 1,000 koku—one koku is approximately 5 bushels—and 1,000 yen respectively.)

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Volume of overproduction	Volume of demand	Ratio of the volume of overproduction to the volume of demand
Rice	1927	Volume	6,836	815	2,987	2,987	4,464	66.9%
		Value		16,039	68,009			
	1928	Volume	6,841	311	2,408	2,408	4,744	50.7%
		Value		5,534	53,233			
	1929	Volume	6,450	561	2,319	2,319	4,692	49.4%
		Value		10,633	49,324			
	1930	Volume	7,110	75	2,179	2,179	5,005	43.5%

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Barley, Wheat, Rye and the Like.	1927	Volume	7	127		127	134	94.7%
		Value						
	1928	Volume	7	113		113	120	94.1%
		Value						
	1929	Volume	4					

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Beans	1927	Volume	50	217	6	211	261	80.8%
		Value		2,927	100			
	1928	Volume	41	277	5	272	313	86.8%
		Value		3,840	84			
	1929	Volume						
		Value		4,527				

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Description	Year		Output	Volume entered and imported	Volume cleared and exported
Millet (Panicum Crue Galli var, Frumentaceum, and Panicum Miliaceum)	1927	Volume	20		
		Value	224		
	1928	Volume	30		
		Value	317		

Description	Year		Output	Volume entered and imported	Volume cleared and exported
Indian Corn	1927	Volume	8		
		Value	165		

(The units of volume and value are 100 kin—100 kin is
 approximately 132 lbs.—and 1,000 yen respectively.)

Descrip- tion	Year		Output	Volume entered and imported	Volume cleared and exported	Defi- ciency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Millet "Kaoliang"	1927	Volume		21		21	21	100.0%
		Value		49				
	1928	Volume		115		115	115	100.0%
		Value		296				
	1929	Volume		142		142	142	100.0%
		Value		344				

(2) Taiwan (Formosa).

(The units of volume and value are 1,000 koku—one koku is approximately 5 bushels—and 1,000 yen respectively.)

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Volume of overproduction	Volume of demand	Ratio of the volume of overproduction to the volume of demand
Rice	1927	Volume	6,636	815	2,987	2,987	4,464	66.9%
		Value		16,039	68,009			
	1928	Volume	6,841	311	2,408	2,408	4,744	50.7%
		Value		5,534	53,233			
	1929	Volume	6,450	561	2,319	2,319	4,692	49.4%
		Value		10,633	49,324			
	1930	Volume	7,110	75	2,179	2,179	5,005	43.5%

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Barley, Wheat, Rye and the Like.	1927	Volume	7	127		127	134	94.7%
		Value						
	1928	Volume	7	113		113	120	94.1%
		Value						
	1929	Volume	4					

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Beans	1927	Volume	50	217	6	211	261	80.8%
		Value		2,927	100			
	1928	Volume	41	277	5	272	313	86.8%
		Value		3,840	84			
	1929	Volume						
		Value		4,527				

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Description	Year	Output	Volume entered and imported	Volume cleared and exported
Millet (Panicum Crue Galli var, Frumentaceum, and Panicum Millaceum)	1927	Volume 20		
		Value 224		
	1928	Volume 30		
		Value 317		

Description	Year	Output	Volume entered and imported	Volume cleared and exported
Indian Corn	1927	Volume 8		
		Value 165		

(The units of volume and value are 100 kin—100 kin is approximately 132 lbs.—and 1,000 yen respectively.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Millet	1927	Volume	21		21	21	100.0%
"Kaoliang"		Value	49				
	1928	Volume	115		115	115	100.0%
		Value	296				
	1929	Volume	142		142	142	100.0%
		Value	344				

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Surplus in output	Volume of demand	Ratio of the overproduction to the volume of demand	
Peanuts	1927	Volume	470,164	26	4,023	3,997	429,960	0.9%
		Value	2,597		50			
	1928	Volume	470,582	115	5,156	5,041	465,541	1.0%
		Value	2,806	90	76			
	1929	Volume		711	798			
		Value		616	12			

Description	Year	Output	Volume entered and imported	Volume cleared and exported
Fodder	1927	Volume	367,668	
		Value	1,407	
	1928	Volume	392,603	
		Value	1,468	
	1929	Volume	625,479	
		Value	2,376	

Description	Year	Output	Volume entered and imported	Volume cleared and exported
Sugar	1927	Volume	418,924	7,127,957
		Value	134,226	2,986
	1928	Volume	176,529	9,900,248
		Value	174,498	2,991
	1929	Volume	59,592	12,430,717
		Value	3,126	143,055

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Description	Year	Output	Volume entered and imported	Volume cleared and exported
Fertilizers (including Bean-Cake and Sulphate of Ammonia)	1927	Volume	511,718	
		Value	25,650	
	1928	Volume	553,277	
		Value	29,195	
	1929	Volume	528,179	
		Value	27,109	

Description	Year	Output	Volume cleared and exported
Salt	1927	Volume	869,790
		Value	784
	1928	Volume	767,026
		Value	656
	1929	Volume	1,227,839
		Value	923

(3) Chosen (Korea).

(The units of volume and value are 1,000 koku—one koku is approximately 5 bushels—and 1,000 yen respectively.)

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Volume of overproduction	Volume of demand	Ratio of the volume of overproduction to the volume of demand
Rice	1927	Volume	15,300	890	6,166	5,276	10,024	52.6 %
		Value		19,260	191,575			
	1928	Volume	17,298	497	6,716	6,219	11,079	56.1 %
		Value		9,714	183,730			
	1929	Volume	13,511	670	5,540	4,870	8,641	56.3 %
		Value		14,203	149,316			
	1930	Volume	13,701	531	4,915	4,384	9,317	47.0 %
		Value						

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Barley, Wheat, Rye and the Like.	1927	Volume	9,079	264	9	255	9,334	2.7 %
		Value		3,394	94			
	1928	Volume	8,745	211	2	209	8,954	2.3 %
		Value		3,131	13			
	1929	Volume	9,386	179				
		Value		1,184				
	1930	Volume		187				
		Value		1,151				

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Surplus in output	Volume of demand	Ratio of the volume of overproduction to the volume of demand
Beans (Soya-Beans and Red-Beans)	1927	Volume	5,924	333	1,525	1,192	4,732	25.1 %
		Value	94,618	3,574	24,005			
	1928	Volume	4,681	372	1,474	1,102	3,579	30.7 %
		Value	83,075	4,652	24,660			
	1929	Volume	4,918	360	1,370	1,010	3,908	25.9 %
		Value	83,071	4,821	23,268			
	1930	Volume		302	1,479			
		Value		3,543	18,432			

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Millet (Fanicum Crue Callivar, Fru-mentaceum, and Panicum Miliaceum)	1927	Volume	5,812	6,414		6,414	12,226	52.4 %
		Value	64,478	33,567				
	1928	Volume	5,999	4,846		4,846	10,845	44.7 %
		Value	61,459	26,140				
	1929	Volume	6,003	3,941		3,941	9,944	39.6 %
		Value	62,263	21,977				

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Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Indian Corn	1927	Volume	552	10	9	1	553	0.1 %
		Value	5,261	95	85			
	1928	Volume	617	8	6	2	619	0.3 %
		Value	5,878	75	62			
	1929	Volume	627	55	10	45	672	6.7 %
		Value	5,142	45	97			

(The units of volume and value are picul—one picul is

133½ lbs.—and 1,000 yen respectively.)

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Millet "Kao-liang"	1927	Volume		114,613		114,613	114,613	100.0 %
		Value		450				
	1928	Volume		152,954		152,954	152,954	100.0 %
		Value		600				
	1929	Volume		68,298		68,298	68,298	100.0 %
		Value		278				
	1930	Volume		135,326		135,326	135,326	100.0 %
		Value		456				

(The units of volume and value are 100 kin—100 kin is
approximately 132 lbs.—and 1,000
yen respectively.)

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Defi- ciency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Peanuts	1927	Volume	1,233	5,675		5,675	6,908	82.1%
		Value	123	69				
	1928	Volume	1,318	5,923		5,923	7,241	81.8%
		Value	131	71				
	1929	Volume	1,580	7,721		7,721	9,301	83.0%
		Value	142	81				
	1930	Volume		9,950				
		Value		106				

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Defi- ciency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Sugar	1927	Volume		687,425	409,471	277,954		
		Value		7,735	5,986			
	1928	Volume	× 1,072	796,260	485,921	310,339		
		Value	235	8,701	5,707			
	1929	Volume	× 696	880,255	501,163	379,092		
		Value	140	9,285	5,603			
	1930	Volume		809,978	476,067	333,911		
		Value		7,367	4,758			

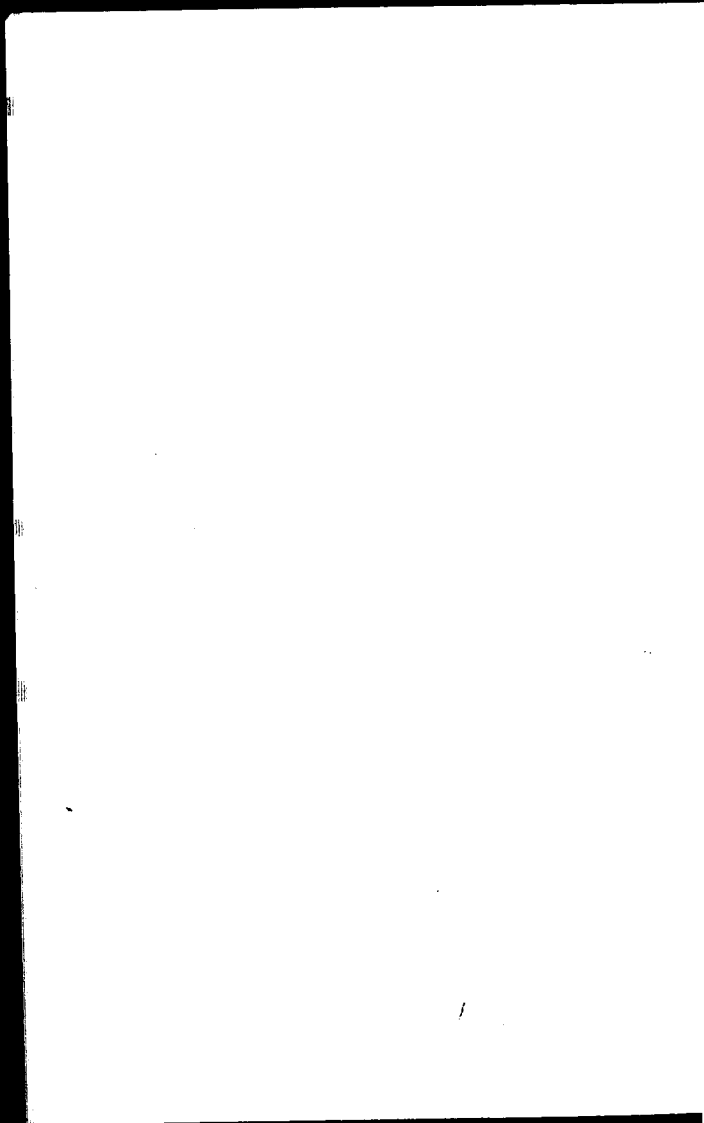
Remarks: The cross indicates the output of beet-sugar only.

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Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Fertilizers	1927	Volume	33,785	18,518	15,267		
		Value	16,206	7,192			
	1928	Volume	37,152	21,702	15,450		
		Value	19,483	7,227			
	1929	Volume	44,053	24,925	19,128		
		Value	23,929	9,977			
	1930	Volume	41,241	26,143	15,098		
		Value	18,973	9,650			

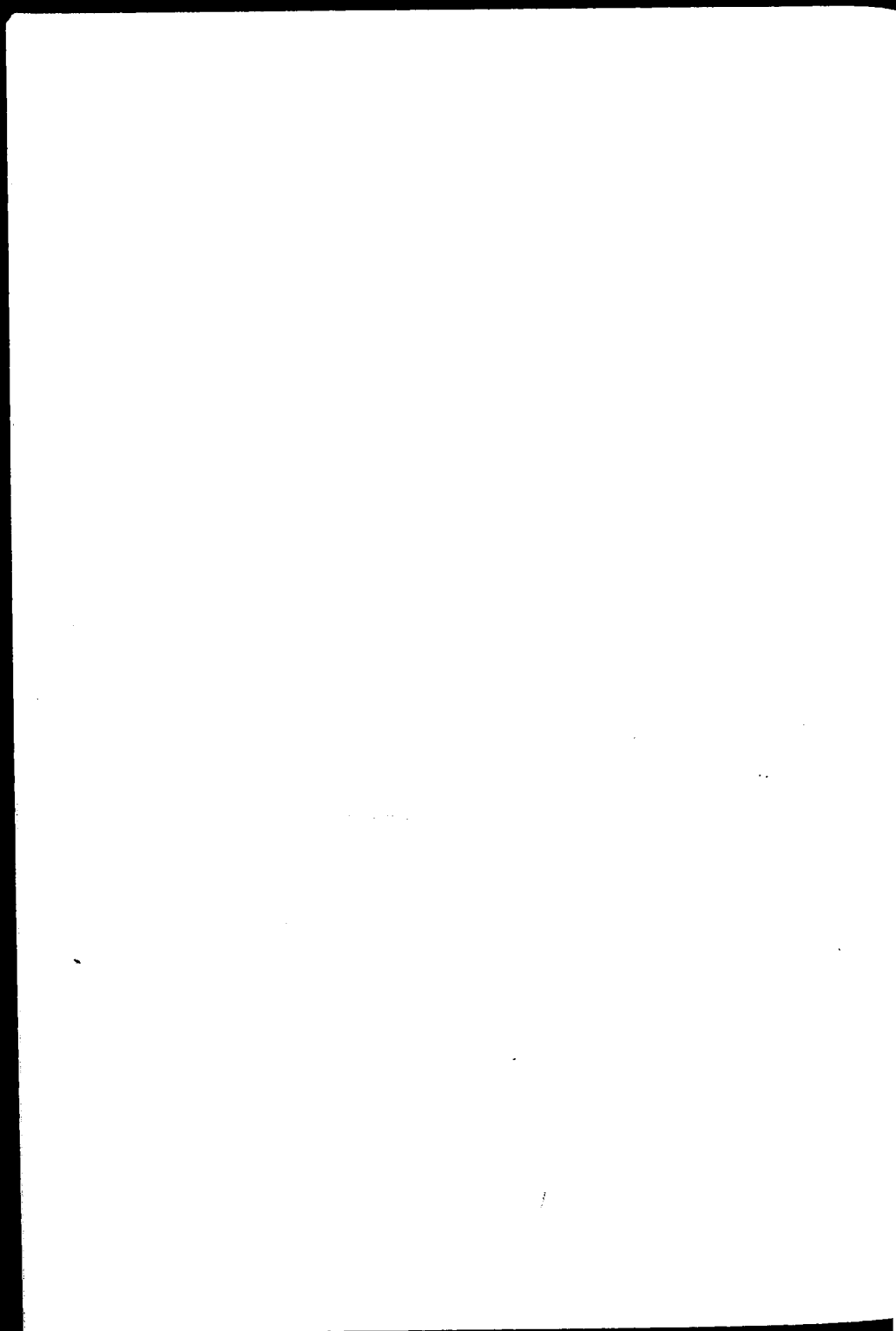
Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Salt	1927	Volume	1,031,897	2,776,441	2,776,441	3,808,338	72.8%
		Value		2,381			
	1928	Volume	1,063,146	2,712,416	2,712,416	3,775,562	71.9%
		Value		2,134			
	1929	Volume	1,073,584	2,270,665	2,270,665	3,344,249	67.8%
		Value		1,465			
	1930	Volume		2,224,714	2,224,714		
		Value		1,246			



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Table No. 2

Tables Showing the Countries of Origin of Food-stuffs,
Fertilizers and Raw Materials Imported into
Japan in their Order of Importance.



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1. Food-stuffs and Fertilizers

- (a) Rice
 - 1. Siam 2. The United States 3. China
- (b) Barley, wheat, rye and the like
 - 1. The United States 2. Canada 3. Australia
- (c) Beans
 - 1. The Kwantung Leased Territory 2. China 3. British India
 - 4. The Dutch East Indies
- (d) Millet (*Panicum Crue Galli* var, *Frumentaceum* and *Panicum Miliaceum*)
 - 1. The Kwantung Leased Territory 2. China
- (e) Indian corn
 - 1. The Dutch East Indies 2. The Kwantung Leased Territory
 - 3. French Indo-China 4. China
- (f) Millet "Kaoliang"
 - 1. The Kwantung Leased Territory 2. China
- (g) Peanuts
 - 1. China 2. The Kwantung Leased Territory
- (h) Fodder and Bran
 - 1. China 2. The Kwantung Leased Territory 3. Canada
 - 4. The United States
- (i) Meat (including beef)
 - 1. China 2. Australia 3. The Kwantung Leased Territory
- (j) Sugar
 - 1. The Dutch East Indies 2. The Philippines
- (k) Fertilizers
 - 1. China 2. The Kwantung Leased Territory 3. British India

2. Raw Materials

- (a) Ginned Cotton
 - 1. The United States 2. British India 3. China 4. Egypt
 - 5. East Africa
- (b) Wool
 - 1. Australia 2. Argentine 3. Great Britain 4. Chile
- (c) Flax and Hemp
 - 1. The Philippines 2. British India 3. China
- (d) Aluminium
 - 1. Canada 2. Switzerland 3. The United States 4. Germany
- (e) Lead
 - 1. Canada 2. The United States 3. British India 4. Australia
- (f) Copper
 - 1. The United States 2. The Kwantung Leased Territory
 - 3. China
- (g) Tin
 - 1. The Malaya 2. China 3. Hongkong 4. The Dutch East Indies
- (h) Zinc
 - 1. Canada 2. Australia 3. Germany 4. French Indo-China
- (i) Raw Rubber
 - 1. The Malaya 2. British India 3. The Dutch East Indies
 - 4. The United States
- (j) Timber
 - 1. The United States 2. Canada 3. Asiatic Russia
 - 4. The Philippines
- (k) Salt
 - 1. The Kwantung Leased Territory 2. China 3. Spain
 - 4. Great Britain
- (l) Oil Seeds
 - 1. China 2. The Kwantung Leased Territory 3. The Dutch

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East Indies 4. British India

(m) Pulp for Paper-manufacturing

1. Canada 2. Norway 3. Sweden
4. The United States 5. France

(n) Coal

1. The Kwantung Leased Territory 2. French Indo-China
3. China 4. Asiatic Russia

(o) Oil

1. The United States 2. The Dutch East Indies
3. Asiatic Russia 4. British North Borneo

(p) Iron Ore

1. The Malaya 2. China 3. Australia

(q) Pig-Iron

1. British India 2. The Kwantung Leased Territory 3. China
4. Germany

(r) Steel

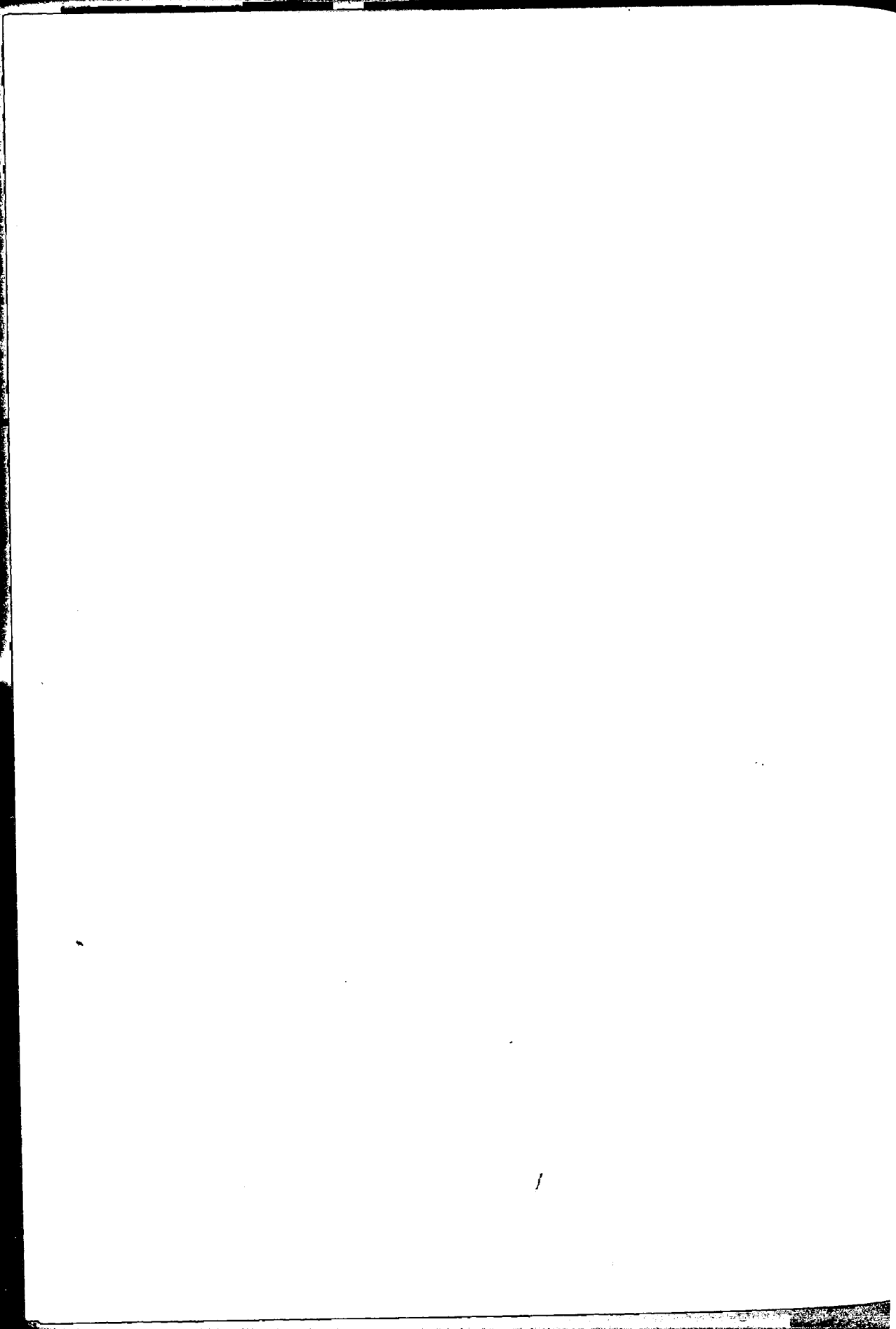
1. The United States 2. Germany 3. Great Britain
4. Belgium 5. France.

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Table No. 3

Tables Showing the Demand and Supply of Raw
Materials in Japan Proper,
Formosa and Chosen



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(1) Japan Proper.

(The units of volume and value are 1,000 kilogrammes and
 1,000 yen respectively.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Ginned Cotton	1927	Volume	318	764,493	764,493	764,811	99.9%
		Value	359	623,920			
	1928	Volume	272	583,780	583,780	584,052	99.9%
		Value	283	549,613			
	1929	Volume	209	645,770	645,770	645,979	99.9%
		Value	217	572,640			
	1930	Volume		572,634	572,634		
		Value		361,715			

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Wool	1927	Volume	47,343		47,343	47,343	100.0%
		Value	101,677				
	1928	Volume	52,835		52,835	52,835	100.0%
		Value	111,872				
	1929	Volume	48,895		48,895	48,895	100.0%
		Value	101,816				
	1930	Volume	52,030				
		Value	73,610				

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Hemp (including Ramie, Manilla Hemp, etc.)	1927	Volume	18,340	62,562	10,872	51,690	70,530	73.3%
		Value	4,603	23,575	1,929			
	1928	Volume	19,875	71,347	2,369	68,978	88,853	77.6%
		Value	5,280	24,174	244			
	1929	Volume	19,172	79,699	2,991	76,708	94,880	81.0%
		Value	5,379	26,048	387			
	1930	Volume		61,913				
		Value		14,259				

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Aluminium	1927	Volume		5,825		5,825	5,825	100.0%
		Value		6,003				
	1928	Volume		9,167		9,167	9,167	100.0%
		Value		9,230				
	1929	Volume		11,894		11,894	11,894	100.0%
		Value		11,101				
	1930	Volume		10,965		10,965	10,965	100.0%
		Value		9,559				

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Lead	1927	Volume	3,394	55,467		55,467	58,861	94.2 %
		Value	905	15,211				
	1928	Volume	3,653	62,138	547	61,591	65,244	94.4 %
		Value	848	14,722	165			
	1929	Volume	3,374	60,551	600	59,951	63,325	94.6 %
		Value	858	15,064	188			
	1930	Volume		55,982				
		Value		11,117				

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Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand	
Copper	1927	Volume	66,571	9,791	2,789	7,002	63,573	11.0 %
		Value	47,889	6,182	2,237			
	1928	Volume	68,233	14,665	2,965	11,700	79,933	14.6%
		Value	55,272	9,958	2,505			
	1929	Volume	75,469	4,938	8,255	3,317	78,786	4.2 %
		Value	69,400	3,574	7,409			
1930	Volume		1,181	33,201				
	Value		620	21,281				

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand	
Tin	1927	Volume	680	3,767		3,767	4,447	84.7 %
		Value	1,778	10,987				
	1928	Volume	745	4,074		4,074	4,819	84.5 %
		Value	1,533	9,561				
	1929	Volume	969	4,057		4,057	5,026	80.6 %
		Value	1,790	9,203				
	1930	Volume		3,215				
		Value		4,846				

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand	
Zinc	1927	Volume	17,498	26,985		26,985	44,483	60.6 %
		Value	6,158	9,335				
	1928	Volume	19,117	35,759		35,759	54,876	65.2 %
		Value	6,340	10,937				
	1929	Volume	22,099	27,111		27,111	49,210	55.1 %
		Value	7,198	8,194				
	1930	Volume		22,473				
		Value		4,995				

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Crude Rubber	1927	Volume	21,149		21,149	21,149	100.0%
		Value	34,399				
	1928	Volume	26,054		26,054	26,054	100.0%
		Value	27,896				
	1929	Volume	34,891		34,891	34,891	100.0%
		Value	33,886				
	1930	Volume	33,434		33,434	33,434	100.0%
		Value	17,931				

(The unit of value is 1,000 yen.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Timber	1927	Volume					
		Value	116,343	103,805	15,899	87,906	204,249 43.0%
	1928	Volume					
		Value	118,901	111,008	17,964	93,044	211,945 43.8%
	1929	Volume					
		Value	103,462	88,838	21,138	67,700	171,162 39.5%
	1930	Volume					
		Value		53,084	14,622		

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(The units of volume and value are 1,000 kilogrammes
 and 1,000 yen respectively.)

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Salt	1927	Volume	619,130	218,396	36	218,360	837,490	26.0%
		Value		3,594	3			
	1928	Volume	637,887	227,280	28	227,252	865,139	26.2%
		Value		3,732				
	1929	Volume	644,150	286,608	15	286,593	930,743	30.7%
		Value		4,415	2			
	1930	Volume		307,130	46			
		Value		3,986	3			

*(The unit of value is 1,000 yen.)

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Oil Seeds	1927	Volume						
		Value	①11,212	②18,008	232	17,776	28,988	61.3%
	1928	Volume						
		Value	①12,421	②20,572	94	20,478	32,899	62.2%
	1929	Volume						
		Value	①12,660	②28,342	376	27,966	40,626	68.8%
	1930	Volume						
		Value		①16,634	118			

Remarks: The ring indicates the value of sesame-seeds, rape-seeds and lin-seeds, and the double ring that of sesame-seeds, rape-seeds, mustard-seeds, lin-seeds, hemp-seeds, cotton-seeds, etc.

(The units of volume and value are 1,000 kilogrammes
and 1,000 yen respectively.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Paper Pulp	1927	Volume	72,427				
		Value	11,930				
	1928	Volume	74,209				
		Value	11,455				
	1929	Volume	81,681				
		Value	13,485				
	1930	Volume	80,356				
		Value	12,084				

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand	
Coal	1927	Volume	33,530	3,070	2,505	565	34,095	1.6 %
		Value	257,280	39,330	29,134			
	1928	Volume	33,860	3,129	2,318	811	34,671	2.3 %
		Value	254,516	40,560	27,021			
	1929	Volume	34,257	3,582	2,388	1,194	35,451	3.3 %
		Value	245,761	46,197	27,006			
	1930	Volume	31,376	2,931*	2,546*	385	31,765	1.2 %
		Value	192,995	36,528	26,200			

* Not including figures for Formosa.

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(The unit of value is 1,000 yen.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Oil	1927	Volume					
		Value	40,746	72,311	72,311	113,057	64.0 %
	1928	Volume					
		Value	46,376	96,632	96,632	143,008	67.5 %
	1929	Volume					
		Value	52,772	98,352	98,352	151,124	65.0 %
	1930	Volume					
		Value		96,423			

(The units of volume and value are 1,000 kilogrammes
 and 1,000 yen respectively.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Iron Ore	1927	Volume	542	1,168	1,168	1,710	68.3 %
		Value	8,314	11,668			
	1928	Volume	614	1,907	1,907	2,521	75.6 %
		Value	8,588	19,690			
	1929	Volume	645	2,361	2,361	3,006	78.7 %
		Value	8,503	24,830			
	1930	Volume	580	2,261	2,261	2,841	79.5 %
		Value	7,387	20,430			

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Pig Iron	1927	Volume	896	509		509	1,405	35.5%
		Value		21,041				
	1928	Volume	1,092	794		794	1,886	42.1%
		Value		31,433				
	1929	Volume	1,087	706		706	1,793	39.9%
		Value		32,310				
	1930	Volume	1,161	582		582	1,743	33.4%
		Value		26,379				

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Steel	1927	Volume	1,415	814	155	639	2,114	33.0%
		Value						
	1928	Volume	1,720	824	181	643	2,362	27.1%
		Value						
	1929	Volume	2,033	790	203	587	2,020	22.1%
		Value						
	1930	Volume	1,919	437	225	212	2,131	94.0%
		Value						

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(2) Taiwan (Formosa).

(The units of volume and value are 1,000 kin—approximately
 equal to 1323 lbs.—and 1,000 yen respectively.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Ginned Cotton	1927	Volume	1,031		1,031	1,031	100.0%
		Value	470				
	1928	Volume	925		925	925	100.0%
		Value	460				
	1929	Volume	1,199		1,199	1,199	100.0%
		Value					

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Hemp	1927	Volume	1,134				
		Value	1,343	184	184	1,527	12.0%
	1928	Volume	5,083				
		Value	1,521	757	757	2,278	33.2%
	1929	Volume	4,095				
		Value	647		647		
	1930	Volume	3,347				
		Value	373		373		

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Lead	1927	Volume	unknown	154	22		
		Value		23	8		
	1928	Volume	unknown	128	13		
		Value		18	4		
	1929	Volume	unknown	98	8		
		Value		13	2		
	1930	Volume	unknown	63	7		
		Value		8	1		

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Tin	1927	Volume	144		144	144	100.0%
		Value	255				
	1928	Volume	182		182	182	100.0%
		Value	267				
	1929	Volume	156		156	156	100.0%
		Value	207				
	1930	Volume	148		148	148	100.0%
		Value	136				

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Surplus in output	Volume of demand	Ratio of the deficiency in output to the volume of demand	
Copper	1927	Volume	963	7	9	(1) 2	961	0.2%
		Value						
	1928	Volume	697				697	
		Value	88					
	1929	Volume	434		2	(1) 2	433	0.5%
		Value	67	1	1			

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Surplus in output	Volume of demand	Ratio of the surplus in output to the volume of demand
Salt	1927	Volume	169,227	86,979	86,979	82,248	105.6 %
		Value	621	784			
	1928	Volume	224,201	76,702	76,702	147,499	51.9 %
		Value	1,033	656			
	1929	Volume		122,783			
		Value		923			

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(The unit of value is 1,000 yen.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Oil Seeds	1927	Volume	944				
		Value	285	158	443	728	60.0 %
	1928	Volume	1,610				
		Value	238	229	517	805	64.2 %
	1929	Volume	2,954				
		Value		372			
	1930	Volume	1,352				
		Value		125			

(The units of volume and value are 1,000 tons
 and 1,000 yen respectively.)

Description				Volume entered and imported	Volume cleared and exported	Surplus in output	Volume of demand	Ratio of the surplus in output to the volume of demand
	Year	Output						
Coal	1927	Volume	1,857	20	560	540	1,317	41.2 %
		Value	16,933	478	6,174			
	1928	Volume	1,533	28	364	336	1,247	26.9 %
		Value	13,547	447	3,964			
	1929	Volume	1,530	10	346	336	1,194	28.1 %
		Value	10,064	112	3,308			
	1930	Volume		26	342	316		
		Value		227	2,872			

(The unit of value is 1,000 yen.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand.	
Oil	1927	Volume						
		Value	2,036	3,577	906	2,671	4,707	56.7 %
	1928	Volume						
		Value	931	3,883	582	3,301	4,232	78.0 %
	1929	Volume						
		Value	816	4,643	208	4,435	5,251	84.4 %
	1930	Volume						
		Value	1,041					

(The units of volume and value are 1,000 kin—approximately equal to 1323 lbs.—and 1,000 yen respectively.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Steel	1927	Volume	10,221		10,221	10,221	100.0 %
		Value	824				
	1928	Volume	13,559		13,559	13,559	100.0 %
		Value	1,064				
	1929	Volume	15,315		15,315	15,315	100.0 %
		Value	1,491				
	1930	Volume	12,729		12,729	12,729	100.0 %
		Value	1,167				

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(3) Chosen (Korea).

(The units of volume and value are 1,000 kin—approximately equal to 1323 lbs.—and 1,000 yen respectively.)

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Ginned Cotton	1927	Volume	46,984	937	251	686	47,670	1.4 %
		Value	27,041	464	104			
	1928	Volume	52,864	959	316	643	53,507	1.2 %
		Value	23,484	450	120			
	1929	Volume	49,019	1,372	404	968	49,987	1.9 %
		Value	23,300	585	231			
	1930	Volume		1,042	4	1,038		
		Value		321				

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Hemp	1927	Volume		100				
		Value	9,838	15		15	9,853	0.1 %
	1928	Volume		126				
		Value	9,520	37		37	9,557	0.3 %
	1929	Volume		119				
		Value	8,834	31		31	8,865	0.3 %
	1930	Volume		167				
		Value		34				

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Surplus in output	Volume of demand	Ratio of the surplus in output to the volume of demand
Lead	1927	Volume	1,373		1,052	1,052	321	327.0 %
		Value	286		210			
	1928	Volume	1,197	4	894	894	303	266.0 %
		Value	274		178			
	1929	Volume	554		605		(1) 50	
		Value	129	4	116			

Remarks: The output and its value for 1929 represent the figures obtained by the General Staff as the result of investigations, while the volume of clearances and exports and its value for the same year have been based on the figures in the official annual report of trade for Chosen.

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Surplus in output	Volume of demand	Ratio of the surplus in output to the volume of demand
Copper	1927	Volume	1,673	287	813		1,147	
		Value	890	136	436			
	1928	Volume	1,012	212	967		257	
		Value	1,027	106	720			
	1929	Volume	911	231	1,697			
		Value	1,348	126	1,209			

Remarks: The annual outputs represent the figures obtained by the General Staff as the result of investigations, while the annual volumes of clearances and exports have been based on the figures in the official annual report of trade for Chosen.

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(The unit of value is 1,000 yen.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Tin	1927	Volume	239		239	239	100.0%
		Value	423				
	1928	Volume	245		245	245	100.0%
		Value	392				
	1929	Volume	259		259	259	100.0%
		Value	393				

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Zinc	1927	Volume	132		132	132	100.0%
		Value	34				
	1928	Volume	245		245	245	100.0%
		Value	60				
	1929	Volume	158		158	158	100.0%
		Value	42				

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Crude Rubber	1927	Volume	41		41	41	100.0%
		Value	47				
	1928	Volume	522		522	522	100.0%
		Value	323				
	1929	Volume	824		824	824	100.0%
		Value	462				

(The unit of value is 1,000 yen.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand	
Timber	1927	Volume						
		Value	6,323	6,771	3,466	3,305	9,628	34.3%
	1928	Volume						
		Value	6,529	7,052	5,142	910	7,439	12.2%
	1929	Volume						
		Value	5,130	5,400	5,263	137	5,267	2.6%

(The units of volume and value are 1,000 kin—approximately equal to 1323 lbs.—and 1,000 yen respectively.)

Description	Year		Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Salt	1927	Volume	182,949	277,644	90	277,554	460,503	60.2%
		Value		2,381	5			
	1928	Volume	253,748	271,241	32	271,209	524,957	51.6%
		Value		2,133	4			
	1929	Volume	309,638	227,066	180	226,886	536,524	42.3%
		Value		1,465	6			
	1930	Volume			18			
		Value			3			

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Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Oil Seeds	1927	Volume	6,768	393			
		Value	2,315	656	20	636	21.5%
	1928	Volume	9,534	472			
		Value	2,115	1,015	25	990	31.8%
	1929	Volume	7,069	277			
		Value	1,915	810	17	793	29.3%
	1930	Volume	6,977	83			
		Value	754	7			

(The units of volume and value are 1,000 kilogrammes

and 1,000 yen respectively.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Coal	1927	Volume	709	619	1	618	1.327
		Value	5,286	7,106	10		46.5%
	1928	Volume	815	550	3	547	1.362
		Value	5,769	6,568	32		39.7%
	1929	Volume	937	550		550	1.487
		Value	6,315	6,446	8		37.1%
	1930	Volume	884	520		520	1.400
		Value	5,327	5,929	3		37.1%

(The unit of value is 1,000 yen.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Oil	1927	Volume					
		Value	7,921		7,921	7,921	100.0 %
	1928	Volume					
		Value	7,507		7,507	7,507	100.0 %
	1929	Volume					
		Value	8,875		8,875	8,875	100.0 %
	1930	Volume					
		Value	4,396		4,396	4,396	100.0 %

(The units of volume and value are 1,000 kilogrammes and 1,000 yen respectively.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Iron Ore	1927	Volume	483	14	14	497	2.8 %
		Value	2,889	241			
	1928	Volume	504	43	43	547	7.8 %
		Value	3,042	716			
	1929	Volume	551	39	39	590	6.6 %
		Value	3,153	647			
	1930	Volume	532	27	27	559	4.8 %
		Value	2,808	459			

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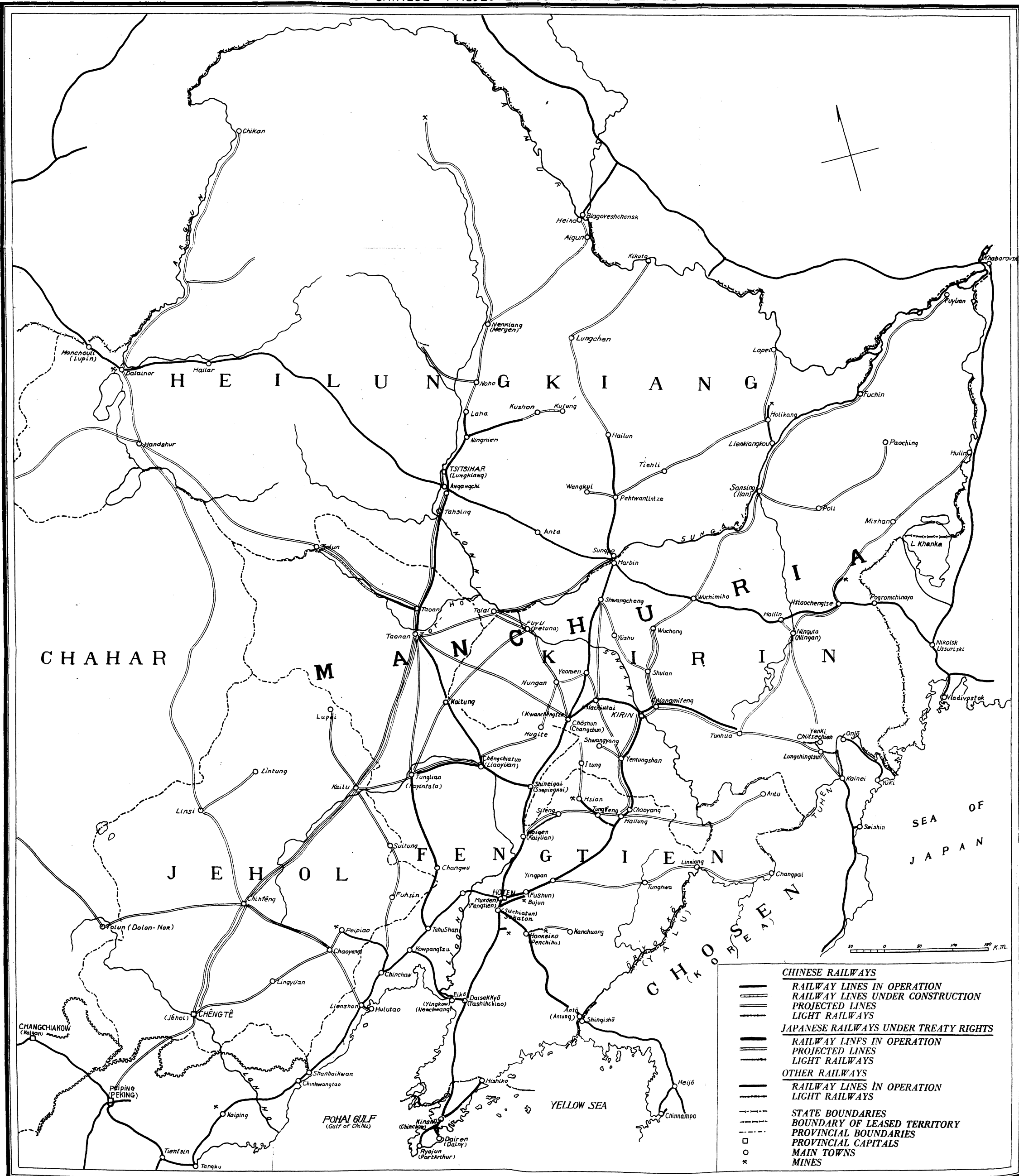
Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand	
Pig Iron	1927	Volume	129	7	1	6	135	4.4 %
		Value	6,523	311	159			
	1928	Volume	148	6		6	153	3.9 %
		Value	7,652	304	82			
	1929	Volume	155	7		7	162	4.2 %
		Value	6,795	324	46			
	1930	Volume	151	5		5	156	3.2 %
		Value	5,923	206	39			

(The units of volume and value are 1,000 kin—approximately equal to 1323 lbs.—and 1,000 yen respectively.)

Description	Year	Output	Volume entered and imported	Volume cleared and exported	Deficiency in output	Volume of demand	Ratio of the deficiency in output to the volume of demand
Steel	1927	Volume	115,721		115,721	115,721	100.0 %
		Value	11,335				
	1928	Volume	139,905		139,905	139,905	100.0 %
		Value	14,663				
	1929	Volume	172,271		172,271	172,271	100.0 %
		Value	17,155				
	1930	Volume					
		Value					

RAILWAY MAP OF MANCHURIA

SHOWING
RAILWAYS NOW IN OPERATION AND UNDER CONSTRUCTION,
JAPANESE PROJECTED RAILWAYS UNDER TREATY RIGHTS,
& CHINESE PROJECTED COMPETITIVE LINES



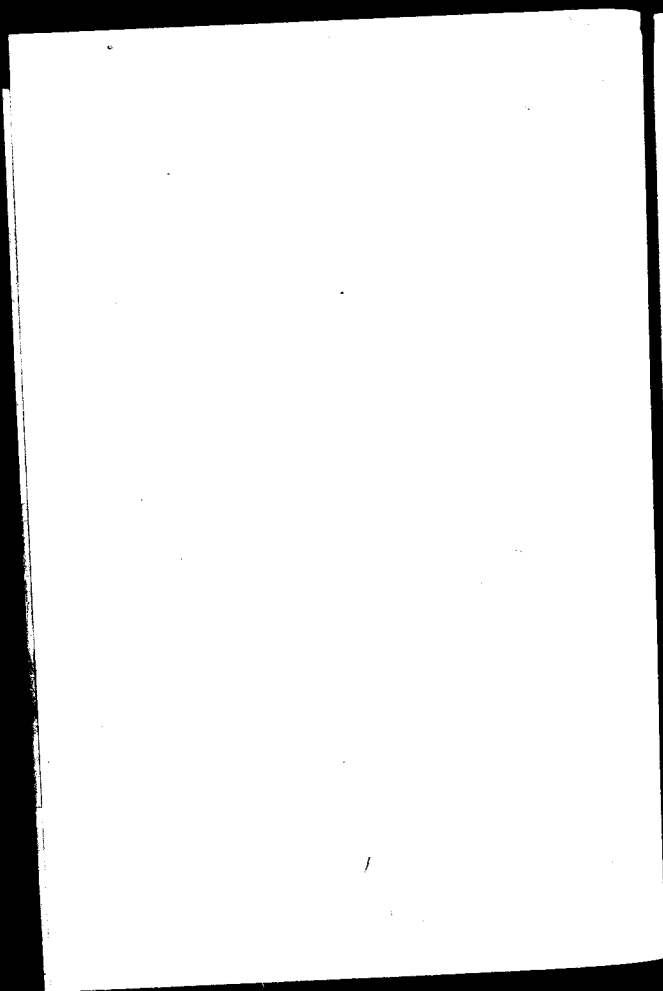
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APPENDIX B—1



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Provisions of Treaties, Agreements,
etc., Concerning Rights And
Interests of Japan in
Manchuria and
Mongolia

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PROVISIONS OF TREATIES, AGREEMENTS, ETC.,
CONCERNING RIGHTS AND INTERESTS OF
JAPAN IN MANCHURIA
AND MONGOLIA

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CHRONOLOGICAL LIST

of Treaties, Agreements, etc., extracted in the
Present Compilation

Date	Designation of Document	Authentic Text and References	Pages of the Present Compilation
<u>27 August</u> 8 September 1896.	Contract for the Construction and Operation of the Chinese Eastern Railway.	French. <i>Customs</i> , Vol. I, p.p. 208-212.	9, 12, 15, 41.
4/16 December 1896.	Statutes of the Chinese Eastern Railway Company.	Russian.	14, 42.
15/27 March 1898.	Russo-Chinese Convention for Lease of the Liaotung Peninsula.	Russian and Chinese. <i>Customs</i> , Vol. I, p.p. 219-226.	1, 3, 5, 8, 13.
<u>25 April</u> 7 May 1898.	Additional Agreement defining Boundaries of the Leased and Neutralized Territory in the Liaotung Peninsula.	Chinese and Russian. <i>Customs</i> , Vol. I, p.p. 227-232.	3.
<u>24 June</u> 6 July 1898.	Russo-Chinese Agreement concerning the Southern Branch of the Chinese Eastern Railway.	French.	8, 10, 17.
<u>28 June</u> 11 July 1902.	Russo-Chinese Preliminary Agreement for the Kirin-Changchun Railway.	Russian and Chinese.	22.
5 September 1905.	Russo-Japanese Treaty of Peace and the Additional Articles.	French and English. <i>MacMurray</i> , p. 522.	4, 7, 14, 16, 18, 19.
22 December 1905.	Sino-Japanese Treaty relating to Manchuria and the Additional Agreement.	Japanese and Chinese. <i>Customs</i> , Vol. II, p.p. 636-640, 734-739.	4, 7, 11, 14, 16, 18, 34.
December 1905.	Summary of Protocols of the Sino-Japanese Conference of Peking, 1905.	Japanese and Chinese.	15, 17, 22.

Abbreviations.

Customs..... "Treaties, Conventions, etc., between China and Foreign States" published by order of the Inspector-General of Customs (Shanghai, 1917)

MacMurray..... "Treaties and Agreements with and concerning China, 1894-1919" edited by MacMurray (New York, 1921)

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Date	Designation of Document	Authentic Text and References	Pages of the Present Compilation
15 April 1907.	Sino-Japanese Convention regarding the Hsinmin-Mukden and Kirin-Changchun Railways.	Japanese and Chinese.	23.
14 May 1908.	Agreement concerning the Sino-Japanese Joint Stock Lumber Company for the Exploitation of the Yalu Timber.	Japanese and Chinese. <i>Customs</i> , Vol. II, p.p. 753-759.	35.
7 November 1908.	Agreement concerning the Working of the Japanese and Chinese Telegraph Lines in Manchuria.	English. <i>MacMurray</i> p. 765.	42.
12 November 1908.	Supplementary Agreement for a Loan for the Hsinmin-Mukden and Kirin-Changchun Railways.	Japanese and Chinese.	23.
19 August 1909.	Memorandum, between the Japanese Consul-General and Viceroy of Three Eastern Provinces, concerning the Reconstruction of the Antung-Mukden Railway.	Japanese and Chinese.	12.
4 September 1909.	Sino-Japanese Agreement concerning Mines and Railways in Manchuria.	Japanese and Chinese.	11, 18, 19, 21, 34.
4 September 1909.	Sino-Japanese Agreement relating to the Chientao Region.	Japanese and Chinese. <i>Customs</i> , Vol. II, p.p. 762-767.	28, 39.
22 May 1910.	Agreement concerning the Penhsihu Coal Mining Company.	Japanese and Chinese.	35.
12 May 1911	Detailed Regulations for Fushun and Yuentai Mines.	Japanese and Chinese.	20.
6 October 1911.	Supplementary Provisions to the Agreement pertaining to the Penhsihu Coal Mining Company, Ltd.	Japanese and Chinese.	36.
5 October 1913.	Exchange of Notes, between Japan and China, in regard to the Construction of Certain Railways in Manchuria.	Japanese and Chinese.	25.

Date	Designation of Document	Authentic Text and References	Pages of the Present Compilation
25 September 1914.	Memorandum pertaining to the Chi-Cheng Railway Company.	Japanese and Chinese.	33.
25 May 1915.	Sino-Japanese Treaty respecting South Manchuria and Eastern Inner Mongolia.	Japanese and Chinese. <i>Customs</i> , Vol. II, p.p. 785-790.	5, 10, 12, 24, 37, 40.
25 May 1915.	Notes exchanged between Japan and China respecting the Above-mentioned Treaty.	Japanese and Chinese.	6, 10, 12, 21.
27 December 1915.	Agreement between Japan (Yokohama Specie Bank) and China, concerning the Building of the Ssuningkai-Cheng-chiatun Railway.	Japanese and Chinese.	26.
12 October 1917.	Agreement concerning the Kirin-Changchun Railway.	Japanese and Chinese.	24.
18 June 1918.	Preliminary Agreement for a Loan for the Construction of the Kirin-Hueining Railway.	Japanese and Chinese.	29.
2 August 1918.	Loan Agreement for Gold Mining and Forestry in the Provinces of Heilungkiang and Kirin.	Japanese and Chinese.	36.
24 September 1918.	Exchange of Notes, between Japan and China, regarding Four Railways in Manchuria and Mongolia.	Japanese and Chinese.	30.
28 September 1918.	Preliminary Agreement between the Chinese Government and the Industrial Bank of Japan, the Bank of Chosen, and the Bank of Taiwan, for a Loan for Railways in Manchuria and Mongolia.	Japanese and Chinese.	31.
8 September 1919.	Agreement for the Ssuningkai-Taonan Railway Loan between the Chinese Government and the South Manchuria Railway Company.	Japanese and Chinese.	26.

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Date	Designation of Document	Authentic Texts and References	Pages of the Present Compilation
1 February 1922.	Resolution adopted at the Washington Conference regarding Foreign Postal Agencies in China.	English and French. Resolution VI of the Washington Conference on the Limitation of Armament.	40.
12 October 1922.	Revised Agreement for the Sino-Japanese Tienpaoshan-Tumen-chiang Light Railway Joint Company.	Japanese and Chinese.	33.
4 December 1922.	Agreement regarding the Japanese Post Offices in the South Manchuria Railway Zone.	English, Japanese and Chinese.	41.
3 September 1924.	Contract entered into by the Viceroy of the Three Eastern Provinces and the Governor of Fengtien Province, and the South Manchuria Railway Company for the Construction of the Taonan-Angangchi Railway.	Japanese and Chinese.	27.
13 October 1924.	Memorandum of the Japanese Government on the Occasion of the Mukden-Chihli War in 1924.	Japanese.	43.
14 October 1924.	Reply from the Mukden Government.	Chinese.	43.
19 October 1924.	Reply from the Peking Government.	Chinese.	44.
24 October 1925.	Contract between the Chinese Government and the South Manchuria Railway Company for the Construction of the Kirin-Tunhua Railway.	Japanese and Chinese.	28.
8 December 1925.	Warning issued by the Commander of the Kwantung Army on the Occasion of the Invasion of Manchuria by Kuo Sung-Lin.	Japanese.	45.
10 December 1925.	Reply from Chang Tso-Lin.	Chinese.	46.

Date	Designation of Document	Authentic Text and References	Pages of the Present Compilation
10 December 1925.	Reply from Kou Sung-Lin.	Chinese.	46.
20 May 1927.	Notes concerning the Contract of 24 Oct., 1925 respecting the Kirin-Tunhua Railway.	Japanese and Chinese.	28.
13 May 1928.	Contract between Generalissimo Chang Tso-Lin and the President of the South Manchuria Railway Company for the Construction of the Taonan-Solun Railway.	Japanese and Chinese.	32.
13 May 1928.	Contract between Generalissimo Chang Tso-Lin and the President of the South Manchuria Railway Company for the Construction of the Yenchi-Hailin Railway.	Japanese and Chinese.	32.
15 May 1928.	Contract between the Department of Communications of the Chinese Government and the South Manchuria Railway Company for the Construction of the Tunhua-Laotoukou Railway.	Japanese and Chinese.	29.
15 May 1928.	Contract between the Department of Communications of the Chinese Government and the South Manchuria Railway Company for the Construction of the Laotoukou-Tumen Railway.	Japanese and Chinese.	30.
15 May 1928.	Contract between the Department of Communications of the Chinese Government and the South Manchuria Railway Company for the Construction of the Changchun-Talai Railway.	Japanese and Chinese.	31.
17 May 1928.	Memorandum of the Japanese Government on the Occasion of the War between the Peking and Nanking Governments in 1928.	Japanese.	47.

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[Lease of the Liaotung
Peninsula]

PROVISIONS OF TREATIES, AGREEMENTS,
ETC., CONCERNING RIGHTS AND
INTERESTS OF JAPAN IN
MANCHURIA AND
MONGOLIA

CHAPTER I

The Kwantung Leased Territory

I. THE LEASE RIGHTS OF THE
LIAOTUNG PENINSULA

Russo-Chinese Convention for Lease of the Liaotung Peninsula
(15/27, March 1898) (Translation)

ARTICLE I

For the purpose of ensuring that the Russian naval forces shall possess an entirely secure base on the littoral of northern China, H. M. the Emperor of China agrees to place at the disposal of the Russian Government, on lease, the Port Arthur (Lü-shun-kow) and Ta-lien-wan, together with the water areas contiguous to these ports. This act of lease, however, in no way violates the sovereign rights of H. M. the Emperor of China to the above-mentioned territory.

Purpose of the
lease

ARTICLE II

Extent of the Leased Territory	The frontier of the territory leased on the above-specified basis, will extend northwards from the Bay of Ta-lien-wan for such distance as is necessary to secure the proper defence of this area on the land side. The precise line of demarcation and other details respecting the stipulations of the present Convention will be determined by a separate Protocol which shall be concluded at St. Petersburg with the dignitary Siou-tzin-ch'eng immediately after the
Nature of the lease	signature of the present Convention. Upon the determination of this line of demarcation, the Russian Government will enter into complete and exclusive enjoyment of the whole area of the leased territory together with the water areas contiguous to it.

ARTICLE IV

Jurisdiction of the Territory	During the above-specified period, on the territory leased by the Russian Government and its adjacent water area, the entire military command of the land and naval forces and equally the supreme civil administration will be entirely given over to the Russian authorities and will be concentrated in the hands of one person who however shall not have the title of Governor or Governor-General. No Chinese military land forces whatsoever will be allowed on the territory specified. Chinese inhabitants retain the right, as they may desire, either to remove beyond the limits of the territory leased by Russia or to remain within such limits without restriction on the part of the Russian authorities. In the event of a Chinese subject committing any crime within the limits of the leased territory, the offender will be handed over to the nearest Chinese authorities for trial and punishment in accordance with Chinese laws, as laid down in Article VIII of the Treaty of Peking of 1860. (MacMurray p. 119)
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[Boundaries of the
Leased Territory]

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II. THE NEUTRAL ZONE

Russo-Chinese Convention for Lease of the Liaotung Peninsula

(15/27, March 1898)

(Translation)

ARTICLE V

A neutral zone shall be established north of the above-specified frontier of the leased territory. The frontiers of this zone will be fixed by the dignitary Siou-tzin-ch'eng and the Ministry of Foreign Affairs in St. Petersburg. Within this specified neutral zone the civil administration will be entirely in the hands of the Chinese authorities; Chinese troops will be admitted within this zone only with the consent of the Russian authorities. (MacMurray p. 120)

Establishment of
the Neutral Zone

Additional Agreement defining Boundaries of the Leased and Neutralized Territory in the Liaotung Peninsula

(25, April/7, May 1898)

(Translation)

ARTICLE II

To the north of the boundary fixed in Art. I, there shall, in accordance with Art. V of the Peking Treaty, be a neutral ground, the northern boundary of which shall commence on the west coast of Liaotung at the mouth of the Kai-chou River, shall pass north of Yu-yen-cheng to the Ta-yang River, and shall follow the left bank of the river to its mouth, this river also to be included in the neutral territory. (MacMurray p. 127)

Boundaries of the
Zone

ARTICLE V

The Chinese Government agrees (lit., agrees to recognize):

Limitations of the
Chinese authority

1. That without Russia's consent no concession will be made

over the Zone

in the neutral ground for the use of subjects of other Powers.

2. That the ports on the sea-coast east and west of the neutral ground shall not be opened to the trade of other Powers.

3. And that without Russia's consent no road and mining concessions, industrial and mercantile privileges shall be granted in the neutral territory. (MacMurray p. 128)

III. THE RUSSIAN CONCESSION AND THE CHINESE CONSENT OF THE LEASE

Russo-Japanese Treaty of Peace

(5, Sept. 1905)

(Original Text)

ARTICLE V

Rights transferred
to Japan by Russia

The Imperial Russian Government transfer and assign to the Imperial Government of Japan, with the consent of the Government of China, the lease of Port Arthur, Talien and adjacent territory and territorial waters and all rights, privileges and concessions connected with or forming part of such lease and they also transfer and assign to the Imperial Government of Japan all public works and properties in the territory affected by the above mentioned lease.

The two High Contracting Parties mutually engage to obtain the consent of the Chinese Government mentioned in the foregoing stipulation.

Sino-Japanese Treaty relating to Manchuria

(22, Dec. 1905)

(Translation)

ARTICLE I

Chinese consent

The Imperial Chinese Government consent to all the transfers and assignments made by Russia to Japan by Articles V and VI of the Treaty of Peace above mentioned. (MacMurray p. 550)

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[Term of the Lease of the
Liaotung Peninsula]

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ARTICLE II

The Imperial Japanese Government engage that in regard to the leased territory as well as in the matter of railway construction and exploitation, they will, so far as circumstances permit, conform to the original agreements concluded between China and Russia. In case any question arises in the future on these subjects, the Japanese Government will decide it in consultation with the Chinese Government. (MacMurray p. 550)

Original agree-
ments to be re-
spected

IV. THE TERM OF THE LEASE

Russo-Chinese Convention for Lease of the Liaotung Peninsula
(15/27, March 1898) (Translation)

ARTICLE III

The term of the lease shall be twenty-five years from the date of the signature of the present agreement and may be prolonged subsequently by mutual consent of both Governments. (Mac. p. 119)

Original term of
the lease

Sino-Japanese Treaty respecting South Manchuria
and Eastern Inner Mongolia

(25, May 1915) (Translation)

ARTICLE I

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 to the Antung-Mukden Railway, to a period of ninety-nine years respectively.

Prolongation of the
term of lease

Exchange of Notes respecting the Above-mentioned Treaty

(Translation)

I have the honour to state that respecting the stipulation of Art. 1. of the Treaty relating to South Manchuria and Eastern Inner Mongolia, signed this day, the extension of the term of the lease of Port Arthur and Dairen shall expire in the eighty-sixth year of the Republic, that is to say, in the year 1997 of the Christian era. The date for reversion to China of the South Manchuria Railway shall fall due in the ninety-first year of the Republic, that is to say, the year 2002 of the Christian era, and the clause in Art. XII of the original Chinese Eastern Railway Agreement, providing that the Chinese Government may take over the Railway after thirty-six years from the day on which it is opened for traffic, is hereby declared null and void. The term with respect to the Antung-Mukden Railway shall expire in the ninety-sixth year of the Republic, that is to say, the year 2007 of the Christian era.

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[South Manchuria Railway]
[—Main Line]

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CHAPTER II

The South Manchuria Railway

I. RIGHTS TO ESTABLISH AND MAINTAIN THE RAILWAY

Russo-Japanese Treaty of Peace

(5, Sept. 1905)

(Original Text)

ARTICLE VI

The Imperial Russian Government engage to transfer and assign Russian concession to the Imperial Government of Japan, without compensation and with the consent of, the Chinese Government, the railway between Changchun (Kuan-cheng-tzu) 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. (MacMurray p. 522)

Sino-Japanese Treaty relating to Manchuria

(22, Dec. 1905)

ARTICLES I and II. (See P. 4-5)

Chinese consent

1. The South Manchuria Main Line

Russo-Chinese Convention for Lease of the Liaotung Peninsula

(15/27, March 1897)

(Translation)

ARTICLE VIII

The Chinese Government agrees that the concessions granted South-Manchurian

branch line of the
Chinese Eastern
Railway

by it in 1896 to the Chinese Eastern Railway Company, from the date of the signature of the present agreement shall be extended to the connecting branch which is to be built from one of the stations of the main line to Ta-lien-wan, and also, if deemed necessary, from the same main line to another more convenient point on the littoral of the Liaotung Peninsula between the town of In-tzü and the estuary of the River Yalu. All the stipulations of the contract concluded by the Chinese Government with the Russo-Chinese Bank on August 27 (September 8), 1896, shall apply scrupulously to these supplementary branches. The direction and points through which the above-mentioned lines shall pass will be determined upon by the dignitary Siou-tzin-ch'eng and the administration of the Chinese Eastern Railway. Consent to the construction of the railway on the basis indicated shall never under any form serve as a pretext for the seizure of Chinese territory or for an encroachment on the sovereign rights of China. (MacMurray p. 120)

**Russo-Chinese Agreement concerning the Southern Branch of
the Chinese Eastern Railway**

(24, June/6, July 1898) (Translation)

PREFACE

.....
...., in accordance with the permission given in the XXII Year of Kuangshü (1896) to the Chinese Eastern Railway Company to construct certain railways, a branch line might be built and operated, which should begin at a station, to be selected on the main line of the Chinese Eastern Railway, and extend to the sea-ports, Dalny and Port Arthur in the Liaotung Peninsula; (MacMurray p. 154)

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[South Manchuria Railway]
[—Main Line]

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Contract for the Construction and Operation of the
Chinese Eastern Railway
(27, Aug./8, Sept. 1896) (Translation)

ARTICLE XII

The Chinese Government transfers to the Company the complete and exclusive right to operate the line on its own account and risk, so that the Chinese Government will in no case be responsible for any deficit whatsoever of the Company, during the time allotted for the work and thereafter for a further eighty years from the day on which the line is finished and traffic is in operation. This period having elapsed, the line, with all its appurtenances, will pass free of charge to the Chinese Government. Term of operation

At the expiration of thirty-six years from the day on which the entire line is finished and traffic is in operation, the Chinese Government will have the right to buy back this line upon repaying in full all the capital involved, as well as all the debts contracted for this line, plus accrued interest. (MacMurray p. 77) When the line may be bought back.

[The Yingkou
Branch Line]

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Prolongation of the
term

**Sino-Japanese Treaty respecting South Manchuria and
Eastern Inner Mongolia**
(25, May 1915)

ARTICLE I.
(See p. 5)

Exchange of Notes respecting the Above-mentioned Treaty
(See p. 6)

2. The Yingkou Branch Line

**Russo-Chinese Agreement concerning the Southern Branch of the
Chinese Eastern Railway**
(24, June/6, July 1898) (Translation)

ARTICLE III

Building of Ying-
kou line

In order to facilitate the bringing in by the Chinese Eastern Railway Company of the materials and provisions needed in the construction of the Southern Manchurian Branch, it is permitted the Company to build temporary branch lines from this road to Ying-k'ou and to sea-ports in the Neutral Zone, but when the work of building the line is completed and the road is open for traffic the Company must at the notice of the Chinese Government remove these branch railways; that is to say, within eight years from the date of the survey and determination of the line and the appropriation of the land for its construction these temporary branch lines must be removed. (MacMurray p. 155)

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[The Antung-Mukden]
Line

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**Sino-Japanese Agreement concerning Mines and
Railways in Manchuria.**

(4, Sep. 1909) (Translation)

ARTICLE II

The Government of China recognizes that the railway between Tashichao and Yinkow 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 concession for that main line. The Chinese Government further agrees to the extension of the said branch line to the port of Yinkow. (MacMurray p. 790)

Recognitions as a
branch line of the
S. M. R.

3. The Antung-Mukden Line

**Additional Agreement to the Sino-Japanese Treaty of 1905
relating to Manchuria**
(22, Dec. 1905) (Translation)

ARTICLE VI

The Imperial Chinese Government agree that Japan has the right to maintain and work the military railway line constructed between Antung and Mukden and to improve the said line so as to make it fit for the conveyance of commercial and industrial goods of all nations. The term for which such right is conceded is fifteen years from the date of the completion of the improvements above provided for. The work of such improvements is to be completed within two years, exclusive of a period of twelve months during which it will have to be delayed owing to the necessity of using the existing line for the withdrawal of troops. The term of the concession above mentioned is therefore to expire in the 49th year of Kuang Hsü. At the expiration of that term, the said railway

Right to build the
Antung - Mukden
line

[The Antung-Mukden]
[Line]

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shall be sold to China at a price to be determined by appraisalment of all its properties by a foreign expert who will be selected by both parties. (MacMurray p. 552)

Memorandum, between the Japanese Consul-General and Viceroy
of Three Eastern Provinces, concerning the Recon-
struction of the Antung-Mukden Railway
(19, Aug. 1909) (Translation)

The Improvement of the Gauge, etc. 1.—The same gauge as that of the Peking-Mukden Railway shall be adopted.
2.—Both Japan and China shall recognize and approve, on the whole, the line as already surveyed and agreed to by the commissioners of the two Governments. (MacMurray p. 787)

Sino-Japanese Treaty respecting South Manchuria and
Eastern Inner Mongolia (25, May 1915)

Prolongation of the term Article I and Exchange of Notes respecting the Above-mentioned Treaty. (See p. 5-6)

II. OTHER RIGHTS AND INTERESTS, BELONGING
OR RELATING TO THE SOUTH
MANCHURIA RAILWAY

1. The Railway Zone

Contract for the Construction and Operation of the Chinese
Eastern Railway
(27, Aug./8, Sept. 1896) (Translation)

ARTICLE VI

Acquisition of the Railway Zone The lands actually necessary for the construction, operation and protection of the line, as also the lands in the vicinity of the

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[The South Manchuria
Railway Zone]

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line necessary for procuring sand, stone, lime, etc., will be turned over to the Company freely, if these lands are the property of the State: if they belong to individuals, they will be turned over to the Company either upon a single payment or upon an annual rental to the proprietors, at current prices. The lands belonging to the Company will be exempt from all land taxes (*impôt foncier*).

All land taxes ex-
empted

The Company will have the absolute and exclusive right of administration of its lands. (*La Société aura le droit absolu et exclusif de l'administration de ses terrains.*)

Right of adminis-
tration

The Company will have the right to construct on these lands buildings of all sorts, and likewise to construct and operate the telegraph necessary for the needs of the line.

The income of the Company, all its receipts and the charges for the transportation of passengers and merchandise, telegraphs, etc., will likewise be exempt from any tax or duty. Exception is made, however, as to mines, for which there will be a special arrangement. (MacMurray p. 76)

Income and all
other taxes ex-
empted

Russo-Chinese Convention for Lease of the Liaotung Peninsula
(15/27, March 1896) (Translation)

ARTICLE VIII

The Chinese Government agrees that the concessions granted by it in 1896 to the Chinese Eastern Railway Company, from the date of the signature of the present agreement shall be extended to the connecting branch which is to be built from one of the stations of the main line to Ta-lien-wan, and also, if deemed necessary, from the same main line to another more convenient point on the littoral of the Liaotung Peninsula between the town of In-tzū and the estuary of the River Yalu. All the stipulations of the contract concluded by the Chinese Government with the Russo-Chinese Bank on August 27 (September 8), 1896, shall apply scrupulously to these supplementary branches. The direction and points through which the above-mentioned lines shall pass will be

Ta-lien-wan branch

[Exemption from Duties,
Taxes, etc.]

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determined upon by the dignitary Siou-tzin-ch'eng and the administration of the Chinese Eastern Railway. Consent to the construction of the railway on the basis indicated shall never under any form serve as a pretext for the seizure of Chinese territory or for an encroachment on the sovereign rights of China. (MacMurray p. 120)

Statutes of the Chinese Eastern Railway Company

(4/16, Dec. 1896)

(Translation)

ARTICLE VIII

Police agents in
the railway zone

The preservation of law and order on the lands assigned to the railway and its appurtenances shall be confided to police agents appointed by the Company. The Company shall for this purpose draw up and establish police regulations. (MacMurray p. 86)

The Russian con-
cession

Russo-Japanese Treaty of Peace

(Sept. 1905)

ARTICLE VI

(See P. 7)

Chinese consent

Sino-Japanese Treaty of 1905 relating to Manchuria

(22, Dec. 1905)

ARTICLES I and II

(See P. 4-5)

2. Exemption from Duties, Taxes, etc., on Railway Materials

**Additional Agreement to the Sino-Japanese Treaty of 1905
relating to Manchuria**

(22, Dec. 1905)

(Translation)

ARTICLE VIII

Duties etc. on ma-

The Imperial Chinese Government engage that all materials

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[Prohibition of
Parallel Lines]

required for the railways in South Manchuria shall be exempt from all duties, taxes and *likin*. (MacMurray p. 552)

Contract for the Construction and Operation of the Chinese
Eastern Railway
(27, Aug./8, Sept. 1896) (Translation)

ARTICLE VII

All goods and materials for the construction, operation, and repair of the line, will be exempt from any tax or customs duty and from any internal tax or duty. (MacMurray p. 76)

3. Prohibition of Parallel Lines

Russo-Chinese Additional Agreement defining Boundaries
of the Leased and Neutralized Territory in the
Liaotung Peninsula
(7, May 1898) (Translation)

ARTICLE III

It is further agreed in common that railway privileges in districts traversed by this branch line shall not be given to the subjects of other Powers. As regards the railway which China shall (may) herself build hereafter from Shan-hei-kuan in extension to a point as near as (lit., nearest to) possible to this branch line, Russia agrees that she has nothing to do with it. (MacMurray p. 127)

Railway privileges
not given to the
subjects of other
Powers

Summary of Protocols of the Sino-Japanese Conference
of Peking, 1905 (Translation)

3. The Chinese Government engage, for the purpose of protecting the interest of the South Manchurian Railway, not to construct, prior to the recovery by them of the said railway, any

Not to build parallel lines

main line in the neighbourhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the above-mentioned railway. (MacMurray p. 554)

4. Railway Guards

Additional Articles to the Russo-Japanese Treaty of Peace

(5, Sep. 1905)

(*Original Text*)

ARTICLE I

Agreement be-
tween Japan and
Russia

The High Contracting Parties reserve to themselves the right to maintain guards to protect their respective railway lines in Manchuria. The number of such guards shall not exceed fifteen per kilometre and within that maximum number, the Commanders of the Japanese and Russian Armies shall, by common accord, fix the number of such guards to be employed, as small as possible having in view the actual requirements. (MacMurray p. 526)

Additional Agreement to the Sino-Japanese Treaty of 1905 relating to Manchuria

(22, Dec. 1905)

(*Translation*)

ARTICLE II

Agreement be-
tween Japan and
China

In view of the earnest desire expressed by the Imperial Chinese Government to have the Japanese and Russian troops and railway guards in Manchuria withdrawn as soon as possible, and in order to meet this desire, the Imperial Japanese Government, in the event of Russia agreeing to the withdrawal of her railway guards, or in case other proper measures are agreed to between China and Russia, consent to take similar steps accordingly. When tranquillity shall have been reestablished in Manchuria and China shall have become herself capable of affording full protection to the lives and property

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[Timbering and
Mining]

of foreigners, Japan will withdraw her railway guards simultaneously with Russia. (MacMurray p. 551)

**Summary of Protocols of the Sino-Japanese Conference
of Peking, 1905** (Translation)

14. The Japanese Plenipotentiaries declare that the Railway Guards stationed between Changchun and the boundary line of the leased territory of Port Arthur and Talien, shall not be allowed, before their withdrawal, to unreasonably interfere with the local administration of China or to proceed without permission beyond the limits of the railway. (MacMurray p. 555)

III. VARIOUS OTHER RIGHTS AND INTERESTS

1. Timbering and Mining

**Russo-Chinese Agreement concerning the Southern Branch
of the Chinese Eastern Railway**
(24, June/6, July 1898) (Translation)

ARTICLE IV

In accordance with the permission granted to the Company in the XXIII Year of Kuanghsü (1897) to cut timber and mine coal for the use of the railway, it is now agreed to allow the Company to fell timber at its pleasure in the forests on government lands, each tree to be paid for at a price to be fixed by the Engineer-in-Chief or his deputy in consultation with the local authorities, but not higher than the local market rate. But no forests on property in the province of Shengking belonging to the Imperial Family, or on sites that affect the *feng-shui* being under the direct control of the Peking Government may be injured or disturbed.

Timbering on the
Government lands

The Company shall also be allowed in the regions traversed by this branch line to mine such coal as may be needed for the

Coal-mining

construction or operation of the railway, the price of which coal shall be fixed by the Engineer-in-Chief or his Deputy in consultation with the local authorities but shall not exceed the royalty paid by other parties in the same locality. (MacMurray p. 155)

The Russian concession

Russo-Japanese Treaty of Peace
(5, Sept. 1905)

ARTICLE VI
(See P. 7)

Chinese consent

Sino-Japanese Treaty of 1905 relating to Manchuria

ARTICLE I
(See P. 4)

2. Mining along the Railway Lines

Joint enterprises
of mining

**Sino-Japanese Agreement concerning Mines and Railways
in Manchuria**

(4, Sept. 1909) (Translation)

ARTICLE IV

All mines along the Antung-Mukden Railway and the main line of the South Manchuria Railway, excepting those at Fushun and Yuentai, shall be exploited as joint enterprises of Japanese and Chinese subjects, upon the general principles which the Viceroy of the Eastern Three Provinces and the Governor of Mukden agreed upon with the Japanese Consul General in the fortieth year of Meiji, corresponding to the thirty-third year of Kuangshu. Detailed regulations in respect of such mines shall, in due course, be arranged by the Viceroy and the Governor with the Japanese Consul General. (MacMurray p. 791)

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[Fushun and Yuentai]
[Collieries]

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3. Fushun and Yuentai Collieries

Russo-Japanese Treaty of Peace
(5, Sept. 1905)

Russian conces-
sion

ARTICLE VI (See P. 7)

Sino-Japanese Agreement concerning Mines and Railways in Manchuria

(4, Sept. 1909)

(Translation)

ARTICLE III

In regard to the coal mines at Fushun and Yuentai, the Governments of Japan and China are agreed as follows:

General agreement
as to the Fushun
and Yuentai Mines

(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 tax upon coals produced in those mines. The rate of such tax shall be separately arranged upon the basis of the lowest tariff for coals produced in any other places of China.

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

Export duty on
coals

(d) The extent of the said coal mines, as well as all detailed regulations, shall be separately arranged by commissioners specially appointed for that purpose. (MacMurray p. 790)

Detailed Regulations for Fushun and Yuentai Mines

(12, May 1911)

(Translation)

ARTICLE I

Mining tax

The South Manchuria Railway Company (hereinafter referred to as the Company) agrees to pay to the Chinese Government a mining tax for the coal of the Fushun and Yentai mines (hereinafter referred to as the two mines), which shall be fixed at five per cent. of its value at the mouth of the mine, provided that as long as the output of coal is less than 3000 tons of coal per day the amount of the tax shall be computed by fixing the price at the mouth of the mine at one Kuping tael per ton, and when the output per day exceeds 3,000 tons, at one yen (Japanese currency) per ton.

ARTICLE II

Payment of export
duty for coals

The Company agrees to pay to the Chinese maritime customs for the coal of the two mines exported from a point of maritime navigation an export tax which shall be computed at one-tenth of a Haikwan tael per ton, that is to say, at the rate of one mace silver.

ARTICLE VI

Exemption from
other taxes

In addition to taxes in accordance with Articles 1 and 2, there shall be no other taxes for the coal of the two mines such as the imposition of likin and other fees, but in case the taxes in respect to other coal are fixed at a rate lower than that for the two mines, the Company also shall have the right to have the taxes made equal.

Royalties

In lieu of the likin and other taxes mentioned in the foregoing paragraph, the Company shall pay to the Chinese Government yen

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[The An-Shan-Chan]
[Iron Mine]

50,000 per annum in four instalments in the same manner as mentioned in paragraph 2 of Article 3. (MacMurray p. 792)

4. The An-Shan-Chan Iron Mine

Sino-Japanese Agreement concerning Mines and Railways in Manchuria
(4, Sept. 1909)
Right of joint enterprise

ARTICLE IV
(See P. 18)

Exchange of Notes, between Japan and China, respecting South Manchuria and Eastern Inner Mongolia
(25, May 1915) (Translation)

I have the honour to acknowledge the receipt of your Excellency's note of To-day's date in which you state that when the under-mentioned mines in South Manchuria (exclusive of those mining lots which have already been prospected or worked) have at an early date been examined and selected by Japanese subjects, permission to prospect or work such mines will be granted by the Chinese Government; but until the Mining Law becomes definitely operative, the practice at present in force shall be followed.

Permission to prospect or work mines

PROVINCE OF FENTIENT

Locality	District	Mineral
.....
An-Shan-Chan region	From Liao-yang to Pen-hsi	Iron

(In conformity with above-mentioned agreements between the two countries, a joint enterprise mining Contract was entered into on May, 1, 1916)

IV. RAILWAY LOANS—RAILWAYS CONSTRUCTED

1. Kirin-Changchun Railway

Russo-Chinese Preliminary Agreement for the Kirin- Changchun Railway

(28, June/11, July 1902)

(Translation)

ARTICLE I

Agreement be-
tween Russia and
China

The construction and management of the Kirin-Changchun railway by the Chinese Eastern Railway Company is undertaken with the express object of encouraging the trade of the city of Kirin. Its name shall be the Kirin Branch Railway. The Regulations as to its construction are given below. The Regulations contained in the contracts entered into with the Chinese Government on the 2nd of the Eighth Moon, XXII Year of Kuanghsü, Chinese Calendar, that is August 27 (September 8), 1896, Russian Calendar, and on the 18th of Fifth Moon, XXIV Year of Kuanghsü, Chinese Calendar, that is June 24 (July 6, 1898) for the construction of the main line of the Chinese Eastern Railway, and the Southern Manchuria Branch line, respectively, do not apply to the construction of this Kirin Branch line, and are not to be observed in dealing with it. (MacMurray p. 629)

Summary of Protocols of the Sino-Japanese Conference of Peking, 1905

(Translation)

Promise as to
Japanese loan

1. The railway between Changchun and Kirin will be constructed by China with capital to be raised by herself. She, however, agrees to borrow from Japan the insufficient amount of capital, which amount being about one-half of the total sum required. The contract concerning the loan shall, in due time, be concluded, follow-

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[Kirin-Changchun
 Railway]

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ing, *mutatis mutandis*, the loan contract entered into between the board of the Imperial Railways of North China and the Anglo-Chinese Syndicate. The term of the loan shall be twenty-five years, redeemable in yearly instalments. (MacMurray p. 554)

**Sino-Japanese Convention regarding the Hsinmin-Mukden
 and Kirin-Changchun Railways**

(15, Apr. 1907)

(Translation)

ARTICLE II

The Chinese Government, being about to construct a railway Capital allotment
 herself from Kirin to Changchun Fu, agrees to borrow from the to the S. M. R.
 aforesaid Company (The South Manchuria Railway Co.) one-half
 of the capital needed for this work. (MacMurray p. 627)

**Supplementary Agreement for a Loan for the Hsinmint'un-
 Mukden and Kirin-Changchun Railways**

(12, Nov. 1908)

(Translation)

ARTICLE I

It is agreed by Articles 1 and 2 of the Hsin-Feng (i.e., Amount of the loan
 Hsinmin-Mukden) and Chi-Chang (i.e., Kirin-Changchun) Railway
 agreement between the Governments of Japan and China (hereafter
 to be called the "Agreement") that half of the capital needed for
 that portion of the Ching-Feng (i.e., Peking-Mukden) Railway
 lying east of the Liao River amounting to Yen 320,000, and half
 of the capital needed for the Chi-Chang Railway amounting to
 Yen 2,150,000 should be borrowed from the South Manchuria
 Railway Company. (MacMurray p. 767)

**Sino-Japanese Treaty respecting South Manchuria and
Eastern Inner Mongolia**

(25, May 1915)

(Translation)

ARTICLE VII

Revision of agree-
ments and con-
tracts

The Government of China agree to a speedy fundamental revision of various agreements and contracts relating to the Kirin-Changchun Railway, on the basis of the terms embodied in railway loan agreements which China has heretofore entered into with various foreign capitalists.

If, in future, the Chinese Government grant to foreign capitalists, in matters that relate to railway loans, more advantageous terms than those in the various existing railway loan agreements, the above-mentioned Kirin-Changchun Railway Loan Agreement shall, if so desired by Japan, be further revised.

Agreement for a Loan for the Kirin-Changchun Railway

(12, Oct. 1917)

(Translation)

ARTICLE I

Amount of the loan

The Government (i. e., Chinese Government) agrees, in accordance with the terms of the articles set forth below, to effect a loan from the Company of yen 6,500,000, for the construction of a railway from Kirin to Changchun (hereinafter referred to as the "Railway").

ARTICLE III

Commission to
direct the affairs of
the Railway

In view of the Company's successful administration of the South Manchuria Railway, the Government will specially commission the Company to direct the affairs of the Railway in its stead during the term of the loan.

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[Ssuningkai-Taonanfu]
Railway

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ARTICLE IV

In order to effect the object referred to in the preceding article, the Company will select three Japanese as directors (*Chu Jen*), to occupy the offices of Director of General Affairs (*Kung Wu Chu Jen*), Traffic Director (*Yün Shu Chu Jen*), and Accounting Director (*K'uai Chi Chu Jen*). Their salaries will be arranged by the Government and the Company.

Engagement of Japanese directors

ARTICLE XVII

If in the future the Government should require to construct branch lines or extensions of the Railway, it will do so with Chinese capital. But if it should require to use foreign capital, except as stipulated by agreement otherwise, priority will be given to the Company to undertake the matter as a commercial enterprise. The mileage of the branch lines or extensions will be fixed by the Government. (MacMurray p. 1390)

Priority as to the extension of the line or the construction of branch lines

2. Ssuningkai-Taonanfu Railway

Exchange of Notes, between Japan and China, in regard to
the Construction of Certain Railways in Manchuria
(5, Oct. 1913) (Translation)

(1)

The Government of the Chinese Republic agrees to make a loan from Japanese capitalists for the construction of the following railways:

Promise of a loan

(a) From Ssuningkai via Chengchiatun, to Taonanfu.

The lines referred to above will connect with the South Manchuria Railway and the Peking-Mukden Railway. Arrangements therefor will be drawn up separately. (MacMurray p. 1054)

**Agreement between Japan (Yokohama Specie Bank) and China,
for the Building of the Ssupingkai-Chengchiatun Railway**
(27, Dec. 1915) (Translation)

ARTICLE I

Amount of the loan The Government authorizes the Bank to issue a 5% Gold Loan in the sum of 5,000,000 Yen. The Loan will bear the date of the day of issue, and will be known as the Chinese Government 5% Loan for the Building of the Ssupingkai-Chengchiatun Railway.

ARTICLE VIII

Guaranteed by the Chinese Government The Government guarantees the regular payment both of the interest and of the principal. In case the amount of the Loan or the revenue from the road shall not be sufficient for the above-mentioned payments, the Government will adopt the necessary measures to ensure these payments from other sources, which payments must also be effected 14 days in advance of the stated term. (MacMurray 1249-1251)

**Substance of Agreement for the Ssupingkai-Taonan Railway Loan
between the Chinese Government and the South
Manchuria Railway Company**
(8, Sept. 1919) (Summary)

Amount of the loan ¥ 45,000,000

Object of the loan The loan was to apply to payment of expenses for construction and operation of an extension of the main line of the Ssupingkai-Chengchiatun Railway to Taonan and of a branch line from Chengchiatun to Tungliao (Paiyintalai), as well as payment of interest accruing from the loan and supplementary expenses for the Ssupingkai-Chengchiatun Railway. (Article 4)

Transfer of rights By virtue of Article 1 of the agreement and through an ex-

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By Cham-2/2/72 NARS, 12-18-75

[Taonanfu-Angangchi]
[Railway]

change of notes, dated September 8th, 1919, between the South Manchuria Railway Company and the Chinese Government, the rights of the Yokohama Specie Bank under the agreement of 1915 on the Ssupingkai-Chengchiatun Railway were transferred from the Bank to the Company. on the Ssupingkai-Chengchiatun Railway

The agreement contains provisions similar to those under Article 8 of the Agreement of 1915 between the Yokohama Specie Bank and the Chinese Government on the Ssupingkai-Chengchiatun Railway. Guarantee by the Chinese Government

3. Taonanfu-Angangchi Railway

Substance of Contract entered into by the Viceroy of the Three Eastern Provinces, the Governor of Fengtien Province, and the South Manchuria Railway Company for the Construction of the Taonan-Angangchi Railway
(3, Sept. 1924)

(Summary)

Construction of a railway between Taonan and Angangchi. Object
(Article 1)

¥ 12,920,000 (Article 4)

Amount contract-
ed
Method of pay-
ment

If the whole or part of the contracted amount were not paid within six months after delivery of the completed railway, provision was made for converting the debt into a 40 year loan, bearing interest at the rate of 9 per cent annually. (Exchange of notes between the two parties effected on the same date.)

4. Kirin-Tunhua Railway

Substance of Contract between the Chinese Government and the
South Manchuria Railway Company for the Construction
of the Kirin-Tunhua Railway

(24, Oct. 1925)

(Summary)

Object Building of a railway between Kirin and Tunhua. (Article 1)
Amount contracted Though the original contract set the amount at ¥ 18,000,000
(Article 2), an increase to ¥ 24,000,000 was authorized by notes
exchanged between the contracting parties on May 20th, 1927.

V. RAILWAY LOANS—RAILWAYS NOT COMPLETED

1. Kirin-Hueining Railway

Sino-Japanese Agreement relating to the Chientao Region

(4, Sep. 1909)

(Translation)

ARTICLE VI

Promise to extend the Kirin-Changchun Railway to Hueining The Government of China shall undertake to extend the Kirin-Changchun Railway to the southern boundary of Yenching, and to connect it at Hoiryong (Hueining) with a Korean railway, and such extension shall be effected upon the same terms as the Kirin-Changchun Railway. The date of commencing the work of the proposed extension shall be determined by the Government of China, considering the actual requirements of the situation, and upon consultation with the Government of Japan. (MacMurray p. 797)

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[Kirin-Hueining]
[Railway]

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Preliminary Agreement for a Loan for the Construction
of the Kirin-Hueining Railway
(18, June 1918) (Translation)

ARTICLE I

A (Chinese Government) shall with due promptness outline the amount of funds required for the construction of the railway and other items of necessary expenditure and bring it to the notice of B (the Industrial Bank of Japan, the Bank of Chosen, the Bank of Taiwan) for its consent. Promise of loan

ARTICLE IX

Upon the conclusion of the present preliminary agreement, B shall pay to A an advance of ¥ 10,000,000. (MacMurray p. 1431) Payment in advance

Substance of Contract between the Department of Communications
of the Chinese Government and the South Manchuria
Railway Company for the Construction of the
Tunhua-Laotoukou Railway
(15, May 1928) (Summary)

Building of a railway from Tunhua to Laotoukou (Article 1) Object
¥ 11,320,000 (Article 2) Amount contract-
ed
Method of payment

If the whole or part of the stated amount were not paid within six months after delivery of the completed railway, provision was made for converting the indebtedness into a 40 year loan with an annual interest rate of 8 per cent. The Chinese Government guaranteed unconditionally the payment of both principal and interest, obtaining the funds from other sources if the revenue of the railway proved inadequate. (Exchange of Notes effected on the same date between the President of the South Manchuria Railway Company and the Acting Vice-Minister of Communications of the Chinese Government.)

[Changchun-Taonan]
Line

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Substance of Contract between the Department of Communications
of the Chinese Government and the South Manchuria
Railway Company for the Construction of the
Laotoukou-Tumen Railway

(15, May 1928)

(Summary)

Object	Building of a railway from Laotoukou to a point on the River Tumen. (Article 1)
Amount contracted	¥ 12,200,000
Method of payment	The method of payment is the same as for the Tunhua-Lao-toukou Railway, (Exchange of notes effected on the same date between the President of the South Manchuria Railway Company and the Acting Vice-Minister of Communications of the Chinese Government).

2. Changchun-Taonan Line

Exchange of Notes, between Japan and China, regarding Four
Railways in Manchuria and Mongolia.

(24, Sep. 1918)

(Translation)

Promise of loan	I have received your communication, which declares that your Government has decided to construct at once the following described railways with money secured by loans from Japanese capitalists.
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.....
2. Changchun-Taonan Line

.....
(MacMurray p. 1450)

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[Changchun-Taonan]
Line

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Preliminary Agreement between the Chinese Government and
the Industrial Bank of Japan, the Bank of Chosen, and
the Bank of Taiwan, for Loan for Railways in
Manchuria and Mongolia.

(28, Sep. 1918)

(Translation)

ARTICLE I.

The Government shall permit the banks to raise all the funds required for building the Jehol-Taonan, Changchun-Taonan, Kirin-Kaiyuan Railways, and the railway between a point on the Jehol-Taonan Railway to a certain seaport, by means of Chinese Government bonds of the Jehol-Taonan Railway, bonds of the Changchun-Taonan Railway, bonds of the Kirin-Kaiyuan Railway, and bonds of the . . . railway respectively (hereinafter called the gold bonds of the Four Manchurian and Mongolian Railways). Provided, however, that the route of the railway from a point on the Jehol-Taonan Railway to a certain seaport shall be decided upon by consultation between the Government and the Banks. (MacMurray p. 1448)

Gold bond for the
four Manchurian
and Mongolian
Railways

Substance of Contract between the Department of Communications
of the Chinese Government and the South Manchuria Railway
Company for the Construction of the Changchun-Talai Railway

(15, May 1928)

(Summary)

Building of a railway from Changchun to Talai. (Article 1)
¥ 16,100,000

Object

Amount contracted

If the whole or part of the contracted amount were not paid within six months after delivery of the completed railway, provision was made for conversion of the indebtedness into a 40 year loan with interest of 8 per cent yearly.

Method of payment

The Chinese Government guaranteed unconditionally the payment of both principal and interest obtaining the fund from other sources if the revenue of the railway proved to be inadequate.

Guarantee for payment

Security

The property of the railway and the revenue therefrom, (Article 7 and Exchange of Notes effected on May 15th, 1928 between the President of the South Manchuria Railway Company and the acting Vice-Minister of Communications of the Chinese Government.)

3. Taonanfu-Solun Line

Substance of Contract between Generalissimo Chang Tso-Lin and the President of the South Manchuria Railway Company for the Construction of the Taonan-Solun Railway

(13, May 1928)

(Summary)

Object	Building of a railway from Taonan to Solun. (Article 1)
Amount contract- ed	¥ 15,600,000 (Article 2)
Method of payment	The method of payment is the same as for the Taonan-Talai Railway. (Exchange of Notes effected on May 13th., 1928 between the contracting parties.)
Guarantee for pay- ment	The same as for the Taonan-Talai Railway.

4. Yenchi-Hailin Line

Substance of Contract between Generalissimo Chang Tso-Lin and the President of the South Manchuria Railway Company for the Construction of the Yenchi-Hailin Railway

(13, May 1928)

(Summary)

Object	Building of a railway from Yenchi to Hailin. (Article 1)
Amount contract- ed	¥ 32,000,000
Method of payment	The same as for the Changchun-Talai Railway (Exchange of Notes effected on May 13th., 1928 between the contracting parties.)
Guarantee for pay- ment	The same as for the Changchun-Talai Railway.

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[Tienpaoshan-Tumenchiang
and Chi-Cheng Railways]

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CHAPTER III

Other Important Rights

1. RAILWAYS, MINES AND FORESTS

1. Tienpaoshan-Tumenchiang Railway

Substance of Revised Agreement for the Sino-Japanese Tienpaoshan-Tumenchiang Light Railway Joint Company

(12, Oct. 1922)

(Summary)

Operation of a light trunk line of more than 66 miles, from Tienpaoshan and the left side of the Tumenchiang, by way of Laotoukou, Tungssossu, Yenchu and Lungchingtsun, and a branch line of more than 6 miles from the River Chaoyang to the right side of the River Yuerhhatu (Article 2)

¥ 4,000,000

The Government of Kirin Province and Japanese capitalists each to pay half, with the added provision that the Japanese capitalists were to advance whatever the Government of Kirin Province might find it impossible to pay. (Article 4)

Object
Capital and the
method of its sub-
scription

2. Chi-Cheng Railway

Memorandum pertaining to the Chi-Cheng Railway Company

(25, Sept. 1914)

(Translation)

The business of the Chi-Cheng Railway is to be under the joint management of the South Manchuria Railway Company and the Penhsihu Coal and Iron Mining Company, Ltd., the former contributing seven-tenths and the latter three-tenths of the capital. (Article 1)

Management and
capital

[Hsinmintun-Fakumen Line]
[and the Yalu Timber]

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3. Hsinmintun-Fakumen Line

Sino-Japanese Agreement concerning Mines and Railways in Manchuria

(4, Sept. 1909)

(Translation)

ARTICLE I

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

(MacMurray p. 790)

4. The Sino-Japanese Joint Stock Lumber Company for the Exploitation of the Yalu Timber

Additional Agreement to the Sino-Japanese Treaty of 1905 relating to Manchuria

(22, Dec. 1905)

(Translation)

Establishment of
a joint stock com-
pany

ARTICLE X

The Imperial Chinese Government agree that a joint-stock company of forestry composed of Japanese and Chinese capitalists shall be organized for the exploitation of the forests in the regions on the right bank of the River Yalu and that a detailed agreement shall be concluded in which the area and term of the concession as well as the organization of the company and all regulations concerning the joint work of exploitation shall be provided for. The Japanese and Chinese shareholders shall share equally in the profits of the undertaking. (MacMurray p. 553)

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[Yalu Timber and the
Mines of Penhsihu]

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Agreement concerning the Sino-Japanese Joint Stock Lumber
Company for the Exploitation of the Yalu Timber

(14, May 1908)

(Translation)

ARTICLE I

An area shall be marked out on the right bank of the Yalu, extending from Maoerhshan to Ershihszetaokou and measuring 60 li inland from the main stream. (A delegate shall be appointed by the Fengtien province to define the area and put up boundary marks conjointly with a Japanese delegate.) The gathering of timber within the area will be carried on with the joint capital and under the joint management of China and Japan.

Area of the timber
land

ARTICLE III

The capital of the Company shall be \$3,000,000, of which China and Japan shall each contribute half. (MacMurray p. 731)

Capital

5. The Penhsihu Coal and Iron Company

Agreement concerning the Penhsihu Coal
Mining Company

(22, May 1910)

(Translation)

ARTICLE I

After this Agreement shall have been sanctioned by the Chinese Government the Penhsihu Coal Mining Enterprise will be registered as a Sino-Japanese Company. The Company will be called the Penhsihu Coal Mining Company, Limited, hereinafter referred to as "the Company". The Japanese firm is hereinafter referred to as "Messrs. Okura & Company".

Establishment of
the Company

ARTICLE III

Subscription of capital The capital of the Company will be 2,000,000 Peiyang dollars. One-half will be subscribed by Chinese merchants, but in view of the fact that the Chinese Government has already 350,000 dollars invested in the mining properties, only 650,000 dollars will be subscribed to complete the Chinese shares. Messrs. Okura & Company will be responsible for the subscription of the remaining 1,000,000 dollars. (MacMurray p. 793)

Substance of the Supplementary Provisions to the Agreement
pertaining to the Penhsihu Coal Mining Company, Ltd.

(6, Oct. 1911)

(Summary)

Object The Penhsihu Coal Mining Company, Ltd., was renamed the Penhsihu Coal and Iron Mining Company, Ltd., undertaking iron mining as well as coal mining. (Article 1)

6. Gold Mining and Forestry in the Provinces
of Heilungkiang and Kirin.

Substance of the Loan Agreement for Gold Mining and Forestry
in Heilungkiang and Kirin Provinces.

(2, August 1918)

(Summary)

Amount ¥ 30,000,000 (Article 1)

Security Gold mines and state-owned forests in the two provinces and Government revenue from them. (Article 8)

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[Rights of Lease, Residing, Travelling]
and Carrying on Business

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II. RIGHTS OF LEASE, RESIDING, TRAVELLING
AND CARRYING ON BUSINESS

Sino-Japanese Treaty respecting South Manchuria and Eastern
Inner Mongolia
(25, May 1915) (Translation)

ARTICLE II

The subjects of Japan shall be permitted in South Manchuria Lease of land
to lease land necessary either for erecting buildings for various
commercial and industrial uses or for agricultural purposes.

Exchange of Notes respecting the Above-mentioned Treaty

I have the honour to acknowledge the receipt of your Excel- Definition of
lency's note of to-day's date, in which you state that it is under "lease"
stood that the term "lease" mentioned in Art. II of the Treaty
respecting South Manchuria and Eastern Inner Mongolia, signed
this day, includes leases for a long term up to thirty years and
unconditionally renewable.

ARTICLE III

The subjects of Japan shall have liberty to enter, travel and Residing, travel-
reside in South Manchuria and to carry on business of various ling and carrying
kinds—commercial, industrial and otherwise. on business

ARTICLE IV

The Government of China shall permit joint undertakings, in Joint undertakings
Eastern Inner Mongolia, of the subjects of Japan and citizens of in agriculture
China, in agriculture and industries auxiliary thereto.

ARTICLE V

Submitting to Chi-
nese law etc.

With respect to the three preceding Articles, the subjects of Japan shall produce before the local authorities the passports duly issued for the purpose of registration, and shall also submit themselves to the police laws and regulations and taxes of China.

Civil and criminal
jurisdiction

In civil and criminal suits, the Japanese consular officer, where a Japanese subject is the defendant, and the Chinese official, where a Chinese citizen is the defendant, shall respectively try and decide the case, both the Japanese consular official and the Chinese official being permitted each to send his agent to attend the trial of the other to watch the proceedings; provided that in civil suits arising out of land disputes between Japanese subjects and Chinese citizens the cases shall be tried and decided by the joint tribunal composed of the properly authorized officials of the two countries, in accordance with the laws and local usages of China.

In the future when the judicial system in the said regions shall have been completely reformed, all civil and criminal suits involving Japanese subjects shall be wholly tried and decided by the law-courts of China.

Exchange of Notes respecting the Above-mentioned Treaty

Police laws etc. to
be consulted with

I have the honour to state that in regard to the police laws and regulations and taxation, to which Japanese subjects are to submit according to the stipulation of Art. V of the Treaty respecting South Manchuria and Eastern Inner Mongolia, signed this day, the Chinese authorities should consult the Japanese consular officer before they are carried into effect.

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[Koreans in
Chientao]

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III. STATUS OF THE KOREANS IN THE REGION OF CHIEN TAO

Sino-Japanese Agreements relating to the Chientao Region
(4, Sep. 1909) (Translation)

ARTICLE III

The Government of China recognizes the residence of Korean subjects, as heretofore, on agricultural lands lying north of the River Tumen. The limits of the district for such residence are shown in the annexed map.

Right of residence
of Koreans on agri-
cultural lands

ARTICLE IV

The Korean subjects residing on 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 Korean subjects 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 equal footing with Chinese subjects. All cases, whether civil or criminal, relating to such Korean subjects 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 in the hearing of important cases concerning the lives of persons, previous notice is to be given to the Japanese consular officers. Whenever the Japanese consular officers find that a decision has been given in disregard of law, they shall have right to apply to the Chinese authorities for a new trial to be conducted by officials specially selected in order to assure justice of the decision.

Jurisdiction over
Koreans residing
on agricultural
lands

ARTICLE V

Protection of property owned by Koreans.
Liberty to cross the frontier river

The Government of China engages that land and buildings owned by Korean subjects in the mixed residence district to the north of the River Tumen shall be fully protected equally with the properties of Chinese subjects. Ferries shall be established on the River Tumen at places properly chosen, and people on either side of the river shall be entirely at liberty to cross to the other side. (MacMurray p. 796)

Sino-Japanese Treaty respecting South Manchuria and Inner
Eastern Mongolia

(25, May 1915)

(Translation)

ARTICLE VIII

Validity of provisions of the Chientao Agreement

Except as otherwise provided in this Treaty, all existing treaties between Japan and China with respect to Manchuria shall remain in force.

IV. AGREEMENTS REGARDING POSTAL AND TELE-
GRAPHIC COMMUNICATIONS

1. The Japanese Post Offices within the South Manchuria
Railway Area

Excerpt from the Resolution adopted at the Washington
Conference regarding Foreign Postal Agencies in China

(1, Feb. 1922)

(Original Text)

Abolition of foreign postal agencies in China

A. Recognizing the justice of the desire expressed by the Chinese Government to secure the abolition of foreign postal agencies in China, save or except in leased territories or as otherwise specifically provided by treaty, it is resolved:

(1) The four powers having such postal agencies agree to their abandonment subject to the following conditions:

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[Telegraphy in
Manchuria]

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Agreement regarding the Japanese Post Offices in the South
Manchuria Railway Zone

(4, Dec. 1922)

(Original Text)

In proceeding to the signature of the new Postal Agreements under to-day's date it is agreed between the two Chief Delegates that in view of difference of opinion regarding the question of the Japanese Post Offices in the South Manchuria Railway Zone which could be made the subject of communications between both Governments, the status quo shall be provisionally maintained in principle with regard to the relations between the Japanese and Chinese Post Offices in the South Manchuria Railway Zone and the services of those Post Offices, and that the relations between the Japanese and Chinese Post Offices in the South Manchuria Railway Zone shall be governed by the same terms as are laid down in the Postal Agreements of 1910, the details of the application of which may be arranged by the local postal authorities concerned, subject to approval by the Central Administrations.

"Status quo" of
the Japanese post
office in the Rail-
way Zone

2. Telegraphy in Manchuria

Contract for the Construction and Operation of the
Chinese Eastern Railway

(27, Aug./8, Sept. 1896)

(Translation)

ARTICLE VI

PARAGRAPH 4

The income of the Company, all its receipts and the charges for the transportation of passengers and merchandise, telegraphs, etc., will likewise be exempt from any tax or duty. Exception is made, however, as to mines, for which there will be a special arrangement. (MacMurray p. 76)

Exemption from
taxes on telegra-
phic charges

[Telegraphy in
Manchuria]

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Statutes of the Chinese Eastern Railway Company
(4/6, Dec. 1896) (Translation)

ARTICLE II

Liability to establish a telegraph

(e) The Chinese Eastern Railway is bound to establish and maintain a telegraph along the whole extent of the line and to connect it with the telegraph wire of the Russian adjoining railways, and to receive and dispatch without delay through telegrams sent from one frontier station of the line to another, as also telegrams sent from Russia to China, and conversely; (MacMurray p. 85)

Agreement regarding the Working of the Japanese and
Chinese Telegraph Lines in Manchuria
(7, Nov. 1908) (Original Text)

In conformity with the provisions of the Telegraph Convention of the 12th October, 1908, between Japan and China, the two Governments, have, for the purpose of facilitating the due and proper working of their respective telegraph lines in South Manchuria, concluded the following Supplementary Agreement.

ARTICLE I

Connection between the Japanese and Chinese systems

a) In order to facilitate the exchange of telegraphic traffic between the Japanese and Chinese systems, China shall connect her telegraph offices at Antung, Newchwang, Liaoyang, Mukden, Tehling and Changchun with the respective Japanese telegraph offices within the railway zone at these places. (MacMurray p. 765)

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[Maintenance of Peace and
Order in Manchuria]

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CHAPTER IV

Maintenance of Peace and Order in Manchuria

I. MEMORANDUM OF THE JAPANESE GOVERNMENT
ON THE OCCASION OF THE MUKDEN-
CHIHLI WAR IN 1924

(Oct. 13th, 1924) (Translation)

".....The Japanese Government have consistently observed an attitude of strict non-interference in the civil strife now unfortunately dividing China. Whatever may have been the causes of such conflict, the two opposing forces are equally parts of the Chinese people, with whom Japan has no other desire than to promote relations of friendship and good neighbourhood.

"At the same time, hundreds of thousands of Japanese subjects are actually residing, and Japanese investments and enterprises on a vast scale are in evidence, in the region of Manchuria and Mongolia. In particular, Japan's own security depends largely upon the maintenance of law and order in that region. With no intention whatever of interfering in the domestic trouble of China, the Japanese Government desire to call the serious attention of both contending forces to these obvious facts and to state that Japan deems it of capital importance that these rights and interests, so essential to her, be fully respected and safely guarded."

1. Reply from the Mukden Government

(Oct. 14th, 1924) (Translation)

".....It is unnecessary to remind us that many of your nationals reside in the Three Eastern Provinces and that their interests are very great; we recognize that Japan's relations with this

region are exceptionally intimate and close. Accordingly, we shall endeavor to protect the lives and property of Japanese merchants and other of your nationals resident in this territory as much as lies within our power. We wish to assure them full liberty to live and do business without fear of safety, so that the relations between our nationals and yours may be peaceful and friendly. We take this opportunity to express our heartfelt desire to comply with your request and to express gratitude for your declaration of neutrality and non-intervention."

2. Reply from the Peking Government

(Oct. 19th, 1924)

(Translation)

".....The Chinese Government state that every step will be taken to insure the protection of the lives and property of the nationals of the friendly Powers in China, as well as their rights and interests secured by treaties. To this end, a Presidential Mandate has been issued to all military commanders that the passage of troops through any district should not involve the residents there in any disorder.

"The Chinese Government recognize the presence of a large number of Japanese residents in all parts of China, and also the fact that they have considerable interests in that country, and they undertake to protect those residents and their interests, whether situated in the war area or not, in strict accordance with the principles governing friendly and neighbourly relations.

"The Chinese Government express the hope that Japan will especially at this time warn their nationals in China to be particularly cautious and prudent in their actions, at the same time giving the assurance that Government authorities and military commanders will take all necessary measures to maintain order and peace throughout the country."

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II. WARNING ISSUED BY THE COMMANDER OF THE KWANTUNG ARMY ON THE OCCASION OF THE INVASION OF MANCHURIA BY KUO SUNG-LIN

(Dec. 8th, 1925)

"It can hardly be necessary for the Commander of the Imperial Army to say that, in loyal adherence to the settled policy of his Government, he has always scrupulously observed an attitude of strict non-interference in the internal difficulties of China and that he has no intention whatever of allowing himself to display any interest in the fortunes of any of the conflicting factions of China. It must not, however, be forgotten that there are in Manchuria hundreds of thousands of Japanese subjects, engaged in peaceful pursuits, as well as an immense amount of Japanese capital invested.

"Should, therefore, a situation develop as a result of hostilities or disturbances, whether in the Railway Zone or in the adjacent districts, which is calculated to jeopardize or seriously menace these important interests of Japan, the Japanese forces in Manchuria would be constrained to act as duty demands.

"The Commander of the Imperial Army has no doubt that both contending forces will pay due regard to this special position of my country in this part of China, but he feels in duty bound to declare that, if an emergency such as is indicated above should nevertheless arise, recourse must be had to such steps as may be required by the circumstances.

"In view of the increasing proximity to the Japanese defense zone of the theatre of hostilities between the two contending forces, the Commander of the Imperial Army deems it necessary to make this communication simultaneously to both the hostile commanders."

1. Reply from Chang Tso-Lin

(Dec. 10th, 1925)

(Translation)

"I regret that the ungrateful revolt against Mukden of General Kuo Sung-lin is causing much uneasiness not only among the natives but also among the Japanese residents in Mukden. Your Excellency must be well aware of the fact that the treacherous conduct of General Kuo Sung-lin is an unpardonable treason against the morals of the East. In this meaning, I have the full right and responsibility to give him the punishment which he deserves.

"I hope Your Excellency knows well that Mukden is my castle and its people my children. It is clear that it is my duty to defend my castle and protect my children.

"It is needless to say that I will do my best for the protection of the lives, properties and other interests of the Japanese residents here. And I deem it my honour to say that a strict order has already been given in this connection."

2. Reply from Kou Sung-Ling

(Dec. 10th, 1925)

(Translation)

".....With regard to the lives and property of Japanese residents in the Three Eastern Provinces, I shall protect them to the utmost within the sphere of my army's power and influence. As there will be no warfare in the South Manchuria Railway Zone, there need be no fear that the Japanese treaty rights and interests will be affected in any way. My only apprehension is that my enemy may pursue a policy that will endanger peace and that some of the enemy soldiers may seek refuge in the South Manchuria Railway Zone and in such leased districts as Port Arthur and Dairen, where they are likely to cause disturbances. I desire that you give special attention to such an eventuality....."

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III. MEMORANDUM OF THE JAPANESE GOVERNMENT
ON THE OCCASION OF THE WAR BETWEEN THE
PEKING AND NANKING GOVERNMENTS IN 1928

(May 17th, 1928) (Translation)

".....The disturbances, however, now threaten to spread to the Peking and Tientsin districts, and it is feared that Manchuria may also be affected.

"The Japanese Government attach the utmost importance to the maintenance of peace and order in Manchuria, and are prepared to do all they can in order to prevent the occurrence of any such state of affairs as may disturb that peace and order, or constitute a probable cause of such disturbance.

"In these circumstances, should the disturbances develop further in the direction of Peking and Tientsin and the situation become so menacing as to threaten the peace and order of Manchuria, the Japanese Government, on their part, may possibly be constrained to take appropriate and effective steps for the maintenance of peace and order in Manchuria....."

0 7 9 8

E m. m. h.

Copies to
~~Beiping~~
Beiping
8/29/32
FE (REM)

22.

F/H/9

Wm. H. Miller

Corrected
S.H.

793.94/5558

SECRETARY OF STATE
JUL 28 1932

772.67



22 May 1952

be

1796

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

- 2 -

expected to provide absolute security immediately; that they have come to realize, both Government and people, that they must rely first of all upon their own efforts and that they intend to make all the effort of which they are capable: "Those who want help must help themselves." He said that they greatly appreciated the position and the efforts of the United States. Also, that they felt that the American Government had done what it could and that they would continue to have confidence in it as a friend and a power intent on justice.

Mr. Quo said that the Chinese rely upon the provisions of the Nine-Power Treaty and they think it will be necessary to call a conference of the powers signatory thereto -- not now perhaps but ultimately.

The Secretary asked Mr. Quo what was the situation with regard to spread of communism in Central China. Mr. Quo said that there is considerable unrest in Central China arising out of economic conditions. The Government is trying to meet this partly by putting down banditry and partly by establishing local self-government and inaugurating measures for the improvement of economic conditions. He said that the Government had plans for a number of political changes and economic projects but that pressure of unexpected calamities retards progress.

The

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

- 3 -

The Secretary asked whether the withdrawal of Japanese troops from Shanghai has been carried out satisfactorily. Mr. Quo said that all forces have been withdrawn but about 2,000 bluejackets. He appeared to consider that the situation in that connection is satisfactory.

Later, Mr. Quo called on Mr. Hornbeck and made statements in greater detail with regard to recent events and present policies.

SKH

FE:SKH/ZMF

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

September 23, 1932

STRICTLY CONFIDENTIAL

No. 876

The Honorable

Nelson T. Johnson,
 American Minister,
 Peiping.

Sir:

There is enclosed for your personal and confidential information and not for distribution to your staff, a copy of a memorandum of a conversation which I had on July 26, 1932, with Mr. Quo Tai-chi, the Chinese Minister appointed to Great Britain, concerning China. You may in your discretion make the copy of the memorandum available to the Counselors of your Legation.

Very truly yours,

H. L. STIMSON

Enclosure:
 Copy of memorandum
 dated July 26, 1932.

SEP 20. 1932.
 NMB

FE:SKH:REK
 9/20/32

FE

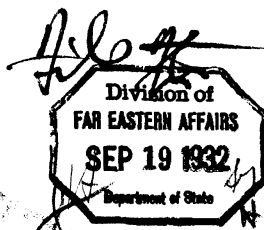
F/HS

793.94/5558

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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 D. Gustafson NARS, Date 12-18-75

XT-VT



FROM: CINC ASIATIC
 TO: CHIEF OF NAVAL OPERATIONS
 INFO: 4TH REGIMENT OF MARINES

CONFIDENTIAL

May 1 1933

F/HS

793.94

N I T E

0017 THE COMMANDING OFFICER OF THE FOURTH REGIMENT OF MARINES
 HAS INFORMED THE CHAIRMAN OF THE DEFENSE COMMITTEE IN SHANGHAI
 THAT IN FUTURE CASES OF EMERGENCY A DECISION FROM COMPETENT
 U.S. AUTHORITY WILL BE NECESSARY BEFORE THE AMERICAN FORCES
 WILL PARTICIPATE.

YOUR DISPATCH 0025 1600 HAS REFERENCE TO THE INTERNATIONAL
 DEFENSE SCHEME. YOUR ATTENTION IS INVITED TO THE FACT THAT THIS
 SCHEME IS OF A TEMPORARY NATURE. PARAGRAPH 3 (D) AND THE NOTE ON
 THE PAGE PRECEDING THE INDEX INDICATE THIS TEMPORARY NATURE AS
 THEY STATE THAT INDEPENDENT ACTION MAY BE TAKEN BY ANY GARRISON
 VOLUNTEERING. THIS SCHEME DOES NOT BIND THE U.S. FORCES TO DEFEND
 THE INTERNATIONAL SETTLEMENT TERRITORY AS A MATTER OF SOVEREIGNTY.
 FURTHER, IT DOES NOT COMMIT US IN ADVANCE TO PARTICIPATE IN A
 JOINT ACTION. 1900

TOR 0021 18 SEPT. 1932

CONFIDENTIAL

DISTRIBUTION: 13(3).....ACTION 16(2).....

00..... 19.....

01A..... ACTION COPY 20.....

01..... 38.....

10A..... ADMIRAL UPHAM.....

11..... DAILY.....

12..... FILE

DECLASSIFIED
 E.O. 11652, Sec. 3(E) and 5(D) or (E)

OSD letter, May 3, 1972
 By Milton D. Gustafson NARS Date Mar 19, 1973

SEP 22 1932

FILED

THIS COPY FOR STATE DEPARTMENT

180

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

September 23, 1932.

~~LES:~~
~~SM:~~

Paris' despatch No. 2909 of September 8, 1932, encloses a memorandum of a conversation between Ambassador Edge and Mr. James G. McDonald, Chairman of the Foreign Policy Association, with regard to the attitude of France and Germany in connection with the Sino-Japanese situation. Mr. McDonald stated that the question has not been given much attention in Germany. His report of his conversation with M. Herriot should be read in full. It begins on the fifth line of page 2 of the enclosure.


LES:CLS

0804

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



EMBASSY OF THE
UNITED STATES OF AMERICA
Paris, September 8, 1932.

No. 2909

Subject: Memorandum of a conversation with
Mr. James G. McDonald, Chairman
of the Foreign Policy Association.

793.94

SEP 22 1932



File
AM
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F/HS

793.94/5560

The Honorable

The Secretary of State,
Washington, D.C.

Sir:

861.77 - Chinese Eastern
(Loan) 1932/8

With reference to the latter part of my telegram

No. 519, September 8, 12 noon, and as of possible
interest to the Department, I have the honor to enclose
a memorandum of a conversation which I had with Mr.
James G. McDonald, Chairman of the Foreign Policy
Association, relating to his visit to Germany and his
conversation here with Premier Herriot.

Respectfully yours,

Walter E. Edge
Walter E. Edge.

Enclosure.
1. Memorandum.
In triplicate.
Copy to E.I.C.

TM/FP

0017
1932

FILED

0805

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

Enclosure No. 1 to Despatch No. 2909
dated September 8, 1932,
from the Embassy in Paris.

M E M O R A N D U M

Mr. James G. McDonald, Chairman of the Foreign Policy Association, came in to see the Ambassador to acquaint him with the tenor of the conversations he has recently had in Berlin with Herr von Bulow, Undersecretary for Foreign Affairs, and yesterday afternoon here with M. Herriot.

Mr. McDonald had been impressed in Germany by the unanimity of opinion in favor of Germany's rights to rearm, or at least to be on a status of equality of treatment in armaments.

However, he was particularly concerned at the moment with the attitude of France and Germany on the Chinese-Japanese question and the Lytton report. He said that he did not think that the question had been given much attention in Germany, although Bulow discussed with him a tentative personal idea that it might be possible for a summary of the contents of the report to be circularized in advance of the meeting, at least among the Great Powers including Japan, so that the Japanese might be in a position, at the moment of its presentation, to have ready a memorandum which should start out by accepting it as a basis for discussion, thus preventing anything in the nature of a surprise and a sudden breaking off of the affair by Japan's withdrawal from the League.

In discussing this same problem with M. François-Poncet, French Ambassador to Berlin, M. Poncet said

that . . .

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

-2-

that he did not think that the problem was well understood generally in France and that it might be worth while for Mr. McDonald to see M. Herriot, whereupon M. Poncet arranged an interview in Paris.

M. Herriot received Mr. McDonald at 7.30 P.M. on September 6th. Mr. McDonald started to explain the American attitude on non recognition of the results of violation of treaties; how this was an outgrowth of the Briand-Kellog Pact; how it comported a step forward in the line of consultation and how France assuredly had a great interest in the maintenance of treaties. The Prime Minister cut him short, bringing out from his portfolio the text of Mr. Stimson's speech of August 8, 1932, with marked passages and said that he had studied the question very thoroughly indeed and was entirely sympathetic with the Secretary's point of view on the subject. He said that he felt that most people in France do not properly understand it and that he hoped in different ways to educate public opinion along the lines of this point of view. The Prime Minister expects to make some reference to this matter in his speech next Sunday.

M. Herriot said that he felt that he was probably the only man in France who did understand the American attitude on this subject and the importance of it and its repercussions on all the other problems in which France is interested. However, he said that Japan 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. Quisenberry NARS, Date 12-18-75

-3-

a great nation, extremely proud and sensitive, and that at the moment the civilian government was attempting to balance itself between a kind of Fascist reactionary group of young army officers and the dangers of Communism. Therefore France would hope that nothing would be done at Geneva that would endanger this balance and possibly disrupt Japan.

When Mr. McDonald pressed the Prime Minister as to what that would mean if it became a choice on the acceptance of the Lytton report, the Prime Minister said that he hoped that that question would not be definitely raised in such a concrete form, although there never could be any question as to France agreeing in principle to the doctrine on the subject as enunciated by Mr. Stimson, since France based her whole policy on the inviolability of treaties.

(Signed) THEODORE MARRINER
Counselor

TM/FP

1808
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00 P. R. Mukden/57 FOR Despatch # - .

FROM Mukden (Myers) DATED August 23, 1932.
TO NAME 1--1127 ***

5561

793.94/5561

REGARDING:

Status of Jehol Province.
Capture of Ishimoto by Chinese bandits
brought to the forefront the uncertain --
and gave the Japanese Military Authorities
an opportunity to announce their attitude
towards outside interference in the affairs
of that province.

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

POLITICAL. The more important political developments are discussed under other headings in this report. The capture of Gonshiro Ishimoto, a member of the Special Service of the Kwantung Army, by bandits near Chaoyangssu, on the Jehol-Fengtien border, on July 17 brought to the forefront the uncertain status of Jehol Province and gave the Japanese Military Authorities a favorable opportunity to announce their attitude towards outside interference in the affairs of that province, held to be part and parcel of Manchoukuo. The official spokesman of Japanese Military Headquarters stated unofficially that if Chang Hsueh-liang sends troops into Jehol it will be considered a hostile act. Reports of encounters with Jehol troops on the border were unfounded according to information supplied by Headquarters although clashes with bandits and probably Volunteers occurred within the confines of Jehol Province along the

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

- 3 -

the railway between the border and Peipiao, allegedly for the protection of the railway. As was reported Ishimoto's mission to Jehol Province - he accompanied a Manchoukuo official - related to the desired routing of the opium traffic through Manchuria for the benefit of Manchoukuo.

From Japanese official statements and press reports, it seems certain that the Japanese Military are seeking provocation for the occupation of Jehol Province. For this purpose every effort is made to discredit Chang Hsueh-liang and his chief henchmen while at the same time great care is taken to conciliate General T'ang Yü-lin, Chairman of Jehol. In which direction the move into that province will be made, that is via Tientsin and Peiping or directly across the mountainous eastern border, will depend on developments. The Japanese no doubt realize that Manchoukuo's claim to Jehol can only be insured by its occupation by Japanese troops.

0811
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00/12151 FOR Note

FROM Japanese Embassy () DATED Sept. 16, 1932.

~~TO~~

NAME

1-1127

070

REGARDING: RELATIONS OF JAPAN WITH MANCHURIA AND MONGOLIA
(Document B): Transmitted to Department from
Japanese Embassy.

793.94/5562

5562

fpg

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

DOCUMENT FILE

NOTE

SEE 763.72119 Military Clauses/79 ^{Confidential File} FOR Tel. #542-7pm.

FROM France (Edge) DATED Sept. 19, 1932.
 TO _____ NAME _____ 1-1127 o p o

REGARDING:

Japanese operations in Manchuria.

In a conversation Herriot said that he felt the increasing economic difficulties in Japan are likely to impede future -- and he stated that France, Great Britain and America ought all to discourage any further loans to Japan at the present time. Herriot said that information at the Foreign Office showed that recent activity of the Japanese Legation guard at Peiping in the direction of Jehol had ceased.

793.94/5563

CONFIDENTIAL FILE

081

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

This telegram must be closely paraphrased before being communicated to anyone.

PARIS

Dated September 19, 1932

Rec'd 20th, 5:23 a.m.

Secretary of State,
Washington.

542, September 19, 7 p. m.

Referring to my 525, September 10, 4 p. m., the following is a brief summary of the two hours of conversation today at lunch at the Foreign Office at which in addition to the three Americans mentioned therein were present only Herriot; Alphand, former Minister at Dublin, Chief of his Diplomatic Cabinet; Ray, head of his personal Cabinet; and Leger, at the present moment in the absence of Berthelot Political Director of the Foreign Office.

As to Japan, Herriot again stated that he felt that a request by Japan for delay to enable an answer to be prepared and an advocate to come from Tokyo to Geneva should be readily granted particularly in order to avoid inflaming Japanese public opinion. Upon being advised by Reed that he had assurances from both MacDonald and Simon that they would insist on the publication of the Lytton report as soon as received by the Assembly Herriot likewise agreed that this should be done. He felt that the increasing economic difficulties in Japan are likely to impede future operations in Manchuria and he volunteered the

0814

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

REP

2-#542, Paris, Sept. 19, 7 p.m.

the statement that France, Great Britain and America ought all to discourage any further loans to Japan at the present time. He stated that a small banking house in Paris with Japanese connections had been trying for months to urge a loan to Japan but that no important French banking interests would accept the suggestion and he assured us that any future efforts from this source would be discouraged.

When asked what information the Foreign Office had with regard to recent activities by the Japanese Legation guard at Peiping they stated that about three weeks ago these troops displayed unusual activity in the direction of Jehol but that this activity had since ceased. They promised to keep our Embassy advised of all further information along these lines and we in turn agreed to ask the State Department to exchange information with the French Embassy in Washington.

As to Germany, Herriot opened the conversation by stating how pleased he had been by your frank speaking against German rearmament and that he felt that it had been of great use with the British. I strongly urged that France take the lead in proposing some definite action along the lines of President Hoover's suggestion which Reed likewise emphasized. Herriot replied that Hoover's suggestions had been well received in France and he
promised

0815

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

REP

3-#542, Paris, Sept. 19, 7p.m.

promised to do something emphatic at Geneva in the way of concrete suggestions for further reduction of armaments although he added "je crains au ciel" that I am sending Frenchmen to their death. Then followed long protestations of apprehension of German and Italian aggression possibly supported by Russia. Their statements in this regard were substantially the same as Herriot's statements of last week although somewhat more in detail. They professed to be sure of the existence of an alliance between Germany and Italy. Reed suggested that a similar apprehension existed in Italy and to some extent in Great Britain illustrating by describing the activities of Italian engineers at this moment in mining all roads and bridges near the frontier; and Reed described to them the specifications of the modern British pursuit planes which as we know are based upon the time of flight of French light bombers between Calais and London. Herriot professed great surprise at this latter statement and announced that he would readily order transferred all French aviation activities from the northwest of Paris to the German and Italian frontiers. His emphasis upon this statement suggested that he might actually undertake this as a gesture of amity toward Great Britain.

We took occasion to point out that if one felt the necessity for arming against every possible alliance or contingency

081F

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

REP

4-#542, Paris, Sept. 19, 7p.m.

contingency there was no end to armaments and in concluding the conversation again inquired if France could not do something or make some commitments along disarmament in accordance with the President's suggestions, something which could focus public opinion on the willingness of France to act alone in this matter as a part of a world movement. The Prime Minister said that there was no question that France would disarm and was intending to do it that since he came into power he had constantly turned his attention to this problem and his only fear was that in view of the present state of German public opinion France might live to regret the disarmament in which she is determined to participate.

Full memorandum of conversation follows by next pouch.
Cipher texts to London, Berlin and Berne.

EDGE

WSB
KLF
WWC

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

DEPARTMENT OF STATE

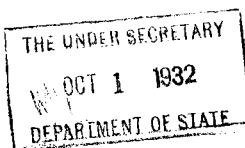
DIVISION OF FAR EASTERN AFFAIRS

September 29, 1932.

~~RCM:~~
RCM:

In the attached despatch No. 1697 of August 24, 1932, the Legation reports with regard to a circular notice sent on January 15, 1932, by the Commander of the American Marine detachment at Peiping as Senior Commandant of the International Legation Guard to the Commandants of the other Legation Guards with regard to the holding of exercises and maneuvers. A copy of the circular as sent to the Commandant of the Japanese Legation Guard is attached to the despatch as is also a copy of the reply from the Japanese Commandant, the substance of which was that it was his duty to exercise his troops and that he would continue to do so as he saw fit.

I suggest that the despatch and enclosures be read as they give an insight into the difficulty of dealing with the Japanese military at Peiping.



J. E. J.

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



LEGATION OF THE
UNITED STATES OF AMERICA

No. 1697

CONFIDENTIAL

Peiping, August 24, 1932.

Subject: Japanese Legation Guard, Peiping.

SEP 24 32

COPIES SENT TO
O.N.I. ~~AND~~ ~~CONFIDENTIAL~~

Division of
FAR EASTERN AFFAIRS
SEP 26 1932
Department of State

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

Adverting to my confidential telegram No. 985 of
August 22, 12 noon, 1932, concerning the maneuvers out-
side the Legation Quarter on the night of August 18-19,
1932, by units of the Japanese Legation Guard, I have
the honor to transmit herewith, for the records of the
Department, a copy of a memorandum of a conversation
between Second Secretary Paul W. Meyer and Major John
M. Arthur, United States Marine Corps, Executive Officer
of the Marine Detachment, American Legation.

During the course of the conversation Major Arthur
handed Mr. Meyer a translation of an answer received
by the Senior Commandant (American) to his circular of
January 15, 1932, to legation guard commandants, re-
questing that, in view of the tenseness prevailing in

this

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

- 2 -

this vicinity as a result of the Sino-Japanese difficulties, all commandants inform their colleagues twenty-four hours in advance of any contemplated maneuvers or marches outside the Quarter.

2/ In order to complete the Department's records, a copy of the circular as addressed to the Japanese Commandant is enclosed. It will be noted that the Japanese Commandant's reply is evasive, and that he does not commit himself to a promise of complying with the request of the Senior Commandant.

The maneuvers of the various other legation guards are always restricted to the Quarter and its glacis except in the matter of small arms target practices at the International Rifle Range about three miles outside the city wall, and occasional cross-country hikes, and in each instance, excepting the Japanese Guard, the various commandants immediately inform their colleagues of such contemplated maneuvers.

Respectfully yours,


NELSON TRUSLER JOHNSON.


✓ Enclosures:

- 1/ Memorandum of conversation,
as indicated;
- 2/ Copy of circular, as indicated.

701

PWM:epg

IN TRIPLICATE

2 Carbon Copies
Received 

0821
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MEMORANDUM

Subject: Maneuvers of Japanese Legation Guard
August 19, 1932.

American Legation Guard,
Peiping, August 22, 1932.

Major Arthur, Executive Officer, American Legation
Guard
Mr. Meyer.

Mr. Meyer asked Major Arthur whether the Japanese had ever replied to the Senior Commandant's circular of January 15, 1932, in which the Commandants of the various legation guards were requested to notify their colleagues 24 hours in advance of contemplated maneuvers. Major Arthur said that the Japanese Commandant ~~made a reply to the effect~~^{ed} that it was the duty of every commander to exercise his troops and that he would continue to do so as he saw fit, or something to that effect. A copy, in translation, of the Japanese Commandant's reply, dated January 26, 1932, 1/ supplied by Major Arthur, is attached to this memorandum.

Major Arthur informed Mr. Meyer that none of the other Commandants was notified in advance of the Japanese maneuvers held on the morning of August 19, as provided for in the Senior Commandant's circular of January 15, 1932. Major Arthur stated that it was the practice of all the other Commandants in all cases to notify their colleagues of contemplated maneuvers. Major Arthur further stated that whereas all the Legation Guards at times held marches out into the country, only the Japanese Legation Guard executed maneuvers in the streets of Peiping outside the Legation Quarter.

PWM:epg

0821

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

COPY.

TRANSLATION

26th January, 7th Year of

Chao Ho.

Reply to Commanding, Legation Guards Circular.

Japanese troops are here like other nationals to maintain peace and order. As other troops do, they exercise and review; perhaps this is the cause of the nervous atmosphere now prevailing.

Exercise of his troops is the duty of every commander. The Japanese troops are here simply to maintain peace and order.

Our relations are friendly with our conferees. We appreciate your attention as regards the safety of foreign residents here.

Copied: EPG

0822

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

COPY.

2
1697

JCB/hg

MARINE DETACHMENT, AMERICAN LEGATION,
PEIPING, CHINA. 15 JANUARY, 1932.

The Commandant,
Japanese Legation Guard,
Peiping.

Sir:

As the situation in Peiping has been tense for sometime the Senior Commandant of the International Guards feels that unusual caution should be exercised by all the foreign forces, to the end that none of their exercises and maneuvers could be misunderstood, or be the cause of unnecessary anxiety in the community. With this object in view it is suggested that all drills, exercises, maneuvers, and marches, that are to be held outside of the Diplomatic Quarter be notified at least twenty-four (24) hours in advance to all the Commandants of Legation Guards. The Senior Commandant is ready to pledge the Legation Guard of the United States of America to so inform all other Commandants. A written expression of opinion from the Commandant of the Japanese Guard is requested.

I have the honor to be
Sir,
Your obedient servant,

/s/

J. C. BRECKINRIDGE,
Colonel, U.S. Marine Corps,
Commandant Marine Detachment,
American Legation, and Senior
Commandant, International Legation
Guards.

To Commandants of Legation
Guards of Japan, Italy,
Great Britain, France,
the United States of
America.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 29, 1932

THE UNDER SECRETARY

OCT 1 1932

GKM:
 RGM:
 MPM:

Peiping transmits herewith memoranda of two conversations which the Minister had, one with Wellington Koo and the other with Mr. Kanai, Japanese Assessor with the League Commission of Inquiry.

The memorandum of the conversation with Wellington Koo is important now because it gives us better information with regard to what Wellington Koo told the Minister in connection with the plan for the neutralization of Peiping in the event of a Sino-Japanese conflict in that area. Apparently Wellington Koo was of the opinion that the Chinese would be willing to withdraw their military forces from Peiping and establish them at Tungchow. In the last paragraph of this memorandum, Minister Johnson makes some interesting comment to Dr. Koo stating that it was China that practically brought about a halt in the adherence by non-signatory powers to the Nine Power Treaty.

The second memorandum reporting a conversation with Mr. Kanai deals with a wide range of subjects and I suggest that it be read in its entirety.

W. H. H.

P. E. J.

1824

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



LEGATION OF THE
UNITED STATES OF AMERICA

No. 1703

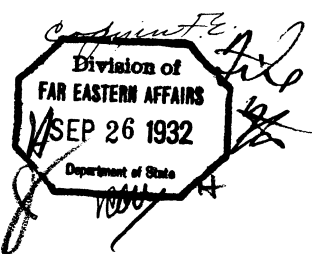
Peiping, August 25, 1932.

Subject: Conversations with Doctor Wellington
Koo and Mr. K. Kanai re Sino-Japanese
relations

793.94



SEP 24 1932



F/HS
793.94/5565

The Honorable
The Secretary of State
Washington D.C.

Sir:

- 1/ I have the honor to transmit herewith a memorandum of a conversation I had on August 5, 1932 with Doctor
- 2/ Wellington Koo, and a memorandum of a conversation I had on August 16, 1932 with Mr. Kiyoshi Kanai, both on the subject of Sino-Japanese relations.

Doctor Koo expressed the opinion that further Japanese aggression in North China might be expected within the next few months, but that conditions in Japan were bad and that China would do everything she could to make Japan's position more difficult. Incidentally, he said that if the Powers wanted to neutralize Peiping, the Chinese would be willing to withdraw their headquarters and military forces to Tungchow.

Mr. Kanai talked very freely. He is an official of the South Manchuria Railway, who appears to have been

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

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been temporarily attached to the Japanese Assessor on the League Commission of Inquiry, presumably for the purpose of making contacts with the public and the press. The gist of his observations was that Japan had no intention of annexing Manchuria; that trouble with bandits would of course continue for a number of years, and that a Japanese army would have to be kept there; that the Chinese Government was too disorganized to be able to deal effectively with the Communistic menace in Central China; that Europe was really not interested in the far East, and that therefore a new conference on Pacific affairs of the signatories of the Nine-Power Treaty should be called at Tokyo; and that the Kellogg Pact, while satisfactory between highly organized states, could hardly be applied to disorganized nations like China.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

✓ Enclosures:

1. Memorandum of conversation with Dr. Wellington Koo
2. Memorandum of conversation with Mr. K. Kanai

800

CVHE/k

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

MEMORANDUM OF CONVERSATION

American Legation,
Peiping, August 5, 1932.

Subject: Sino-Japanese Conditions.

Dr. Wellington Koo
Mr. Johnson.

Dr. Koo called. In response to my inquiry he said that he felt that conditions in North China would continue peaceful. He said, however, that the Chinese expected aggressive action on the part of the Japanese when the kaoliang was cut and visibility was better and when the ground had dried out. He thought that this might occur within three months and, if and when it did come, the Chinese would resist.

Dr. Koo dwelled at some length upon conditions in Japan. He expressed the belief that sooner or later these difficult conditions would affect Japan's policy. He said that the Chinese believe that if they could resist for a time until conditions in Japan had had a chance to have their effect, that probably conditions here would not be as bad as they are now. He said that the Chinese were going to make Japan's position in Manchuria as difficult as possible.

He wondered

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He wondered about the possibility of neutralizing Peiping and Tientsin. I stated that I thought that it depended entirely upon the willingness of the Chinese to take their military away from Peiping, and that we can hardly expect any neutralization of Peiping as long as Peiping was in fact or potentially a military headquarters. He stated that he thought the Chinese would be willing to withdraw their military from here and establish themselves at Tungchow. He wondered if the different countries considered neutralization probable. I pointed out that in regard to Tientsin I thought that the fact that Tientsin was a communication center made that area somewhat difficult to neutralize. I stated that I felt that the United States would not wish to use its armed troops in this area in forcing a neutrality on either side.

Dr. Koo mentioned the effect of the American election upon American policy in this matter. I stated that he could count upon it that until November the United States would be much engrossed with the question of electing a new president and that they could hardly expect any active interest in this matter until that had been accomplished. He asked about the possibility of an American being present at Geneva during the discussion of the League Commission's Report. I stated that I did not know about it.

The dis-

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The discussion then turned to the conference on the Nine-Power Treaty and the possibility of Russia adhering to the Nine-Power Treaty. I looked at the text of the Nine-Power Treaty in regard to Principles and Policies and I informed Dr. Koo that when the American Government proceeded in accordance with Article VIII to invite the several Powers to adhere to the Treaty, we were met in a number of cases by statements on the part of other governments that they had been requested by the Chinese Government not to adhere to the Treaty. I informed Dr. Koo that I believed that this action by China had practically brought adherence to a halt. As regards Russia and Russian adherence, Article VIII had been specially written in order to exclude the unrecognized Russia of that time. I stated that I did not know how that situation had developed since.

Nelson Trusler Johnson
American Minister.

NTJ:epg

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

Conversation

August 16, 1932

Kiyoshi Kanai

21
 No. 1703

Subject: Sino-Japanese Question

Mr. Kanai called. He reminded me that it had been some time since we talked together and he asked me what my impressions now were of Manchukuo. He said that the Commission was now in Peiping for the purpose of considering recommendations for a settlement. He stated that he thought a number of suggestions for a settlement were under consideration and he asked me what I thought about the suggestion of a considerable degree of autonomy in Manchukuo, China retaining sovereignty over that area.

I told Mr. Kanai that I had heard some talk about this suggestion but that I had not given it very much thought. I said that in my estimation Japan would annex Manchukuo within ten years. Mr. Kanai offered to bet that I was wrong. He said that to annex Manchukuo would be too expensive for Japan. He added that the great difficulty now was to decide whether fewer or more Japanese officials should be employed in Manchukuo. He asked me what I thought about it and I said that the more Japanese officials there were used up there, the more likely it was that annexation would take place, as employment on the part of the Japanese of Japanese would indicate an inability to trust the

Chinese

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

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Chinese and a tendency to take over more and more of the functions of the government in Manchukuo.

Mr. Kanai stated that in his opinion fewer Japanese officials should be employed and he thought that this would be the process. He said that of course there were some in Japan who were very pessimistic about the new State. He thought that such people were mistaken and he stated that their pessimism was due to the fact that they were having so much difficulty in Manchukuo at the present time, but it was his belief that now that Ma Chan-shan was dead, (and he thought there was no doubt about that) and Chang Hsueh-liang had resigned, the chance of more peaceful conditions in Manchuria was greater. He said that they had expected trouble with bandits, and that trouble with bandits would continue. It had taken them ten years to bring about a state of peace in the Kwantung leased area, ^{peace} an area approximating that existing in Japan itself, and it would surely take a long time to bring about such a state of peace in Manchukuo. He felt that if they brought about a state of peace within four or five years, better than present existing conditions, that they would have accomplished a good deal.

Mr. Kanai mentioned the question of communism, or communistic bandits in Central China and said that this was becoming a menace that the Powers would have to deal with. I asked Mr. Kanai if he did not think that the communist-bandit

menace

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menace in Central China was a domestic problem which the Chinese would themselves, in the end, be capable of dealing with in their own way, just as the spirit of unrest which was manifest among the discontented tenant farmers of northern Japan was a domestic problem which Japan was quite capable of handling. Mr. Kanai stated that he thought China was disorganized and not capable of handling the question. I said that it seemed to me that what Mr. Kanai was saying was not so much that it was proper for Foreign Powers to take in hand this essentially domestic Chinese problem but that what he meant was that the Powers, and particularly Japan, would be unwilling to await a solution of the problem by the Chinese themselves. Mr. Kanai said that Japan could hardly afford to wait; that Japan's trade was too important. He said that if the foreign powers would only let Japan and China alone, it would be very easy for Japan and China to settle their difficulties. In his opinion, the only way for Japan to win the friendly attitude of China was to take drastic action in these matters. He stated that he felt sure that if Japan and China were placed together in a room, with the doors locked so that others could not interfere, that the two could come to a most amicable, pleasant and satisfactory arrangement of all their difficulties.

Mr. Kanai

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

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Mr. Kanai stated that he thought that Manchukuo had a great future as far as business was concerned, and would soon pay its own way. Of course Japan would always have to retain an army there for the purpose of protecting Manchukuo and the Japanese themselves, but he was sure that I was wrong in thinking that annexation was inevitable.

Mr. Kanai referred to Japan and the League. He said that the League, after all, was an European organization, distinctly concerned with European problems and dominated by the smaller nations of the world, who would always take sides with the weaker nations. The United States and Russia were not members of the League and yet they were interested in the Far East and the Pacific. Europe was not interested in the Far East or the Pacific. This made it difficult for the League to understand the truth of this matter. In his opinion he believed that a new conference on Pacific affairs should be called between the nine Powers party to the Nine Power Treaty, to sit in Tokyo, where they could lay the facts on the table and tell the truth. In 1922 the Nine Powers had adopted the policy of giving China a free hand but that conditions in China had gone from bad to worse, and it was necessary now that there be a readjustment and a reappraisal of the situation. Japan could not wait; her trade was too important to permit her to wait.

I took

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I took this opportunity to speak to Mr. Kanai about the problem of the Japanese Guard here in Peiping, pointing out to him that the Japanese Guard was as much my guard as it was a Japanese guard, under the Protocol of 1900, and that I wished it might be possible for him to propose this plan to the Japanese Guard as a whole, that it desist from activities outside the Legation Quarter in the city of Peiping, which might create disturbances and endanger all of us here. He assented to my point of view.

In the end Mr. Kanai referred to the Kellogg-Pact, saying that in his estimation too many countries were involved in the pact; that while the Kellogg Pact against war was all right between highly organized states, like Japan and the United States, when disorganized states, such as China, became party to the pact, difficulties occurred and it was necessary to take these difficulties into consideration. He pointed out that twice since the signing of the Kellogg Pact it had been breached in China, once by Russia and once by Japan (he said he was speaking from Dr. Shotwell's point of view and not from the point of view of a Japanese), but it was necessary to understand that the officials of China, where disorganization reigned, were responsible for this situation, and not the highly organized state of Japan. He hoped that it would be possible for the League of Nations to investigate and find the truth in this matter

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matter and he drew a comparison between the situation as it affected China, and a criminal case in the law courts, stating that a judge in trying a criminal case had to take into consideration, not only the evidence, but attendant information.

Nelson Trusler Johnson,
American Minister.

NTJ:MM

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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

September 29, 1932.

~~SKM:~~

~~RCM:~~

In the attached despatch No. 1716 of September 1, 1932, the Legation transmits a memorandum of a conversation between the American Minister and the diplomatic representatives of France, Italy and Great Britain with regard to the Japanese Legation Guard. The substance of this conversation and of the six points discussed with regard thereto ~~were~~ communicated to the Department in the Legation's telegram No. 923, August 9, 6 p.m. It is interesting to note, however, that the British diplomatic representative at Peiping stated that, in the opinion of the British Embassy in Tokyo, a suggestion that the Japanese withdraw their guard from Peiping would be met with "certain refusal in Tokyo."

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



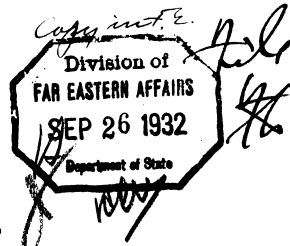
No. 1716

LEGATION OF THE
 UNITED STATES OF AMERICA
 Peiping, September 1, 1932.

Subject: Japanese Legation Guard, Peiping.

PM 12:30

SEP 24 32



The Honorable
 The Secretary of State,
 Washington.

Sir:

793.94/5476

I have the honor to refer to my telegram No. 923, August 9, 6 p.m., reporting a meeting that day at the American Legation of the American and French Ministers and representatives of the British and Italian Legations concerning the status of the Japanese Legation Guard in the event of Sino-Japanese trouble occurring in the Peiping area, and to enclose with this despatch, for the Department's information, a memorandum of the conversation which took place at that time.

Respectfully yours,

Nelson Trusler Johnson
 NELSON TRUSLER JOHNSON.

Enclosure:

Memorandum of August 9, 1932.

701
 PWM:EA

F/HB

793.94/5566

FILED

OCT 1 1932

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

1716

MEMORANDUM OF CONVERSATION

American Legation,
 Peiping, August 9, 1932.

Subject: Sino-Japanese Conditions.

Present: Mr. Nelson T. Johnson, American Minister;
 Mr. Henry A. Wilden, French Minister;
 Mr. Fillippo Anfuso, Diplomatic Secretary,
 Italian Legation;
 Mr. C. N. Stirling, Diplomatic Secretary,
 British Legation.

I told my colleagues of my conversation with Dr. Koo, in the course of which the latter suggested the possibility of neutralizing Peiping and Tientsin in case of Sino-Japanese trouble, and I stated that I had told Dr. Koo that I did not believe that the Powers would wish to use their armed forces for the purpose of maintaining an armed neutrality here. Mr. Wilden stated that it would be difficult to refuse to consider the matter if the Chinese were to make a formal request, as he thought it might be possible to neutralize the city by placing guards at the gates and thus prevent the entry of combatant persons. All agreed that it would be dangerous unless we knew the position of both sides.

1/

I gave to each of my colleagues a copy of the attached suggestions of possible representations to Tokyo in connection with the problem of the status of the Japanese Legation Guard. Mr. Stirling stated that the suggestion that we approach the Japanese with a view to getting them to withdraw their Guard from Peiping had been repeated to

Tokyo

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

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Tokyo and that the British Embassy in Tokyo had commented that such a suggestion would be met with certain refusal at Tokyo. We agreed to submit this proposal to our several governments, suggesting that point "(f)" be omitted from any formal representations that might be made to Tokyo and that it merely be used in any oral discussions that might arise.

Nelson Trusler Johnson
 American Minister.

NTJ:epg

A true copy of
 the signed
 insd. *g*

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

(a) Legation quarter was established under Article VII of the Boxer Protocol as a quarter to be occupied by the Legations.

(b) That by the same Article each of the Powers obtained from China recognition of its right to maintain a permanent guard "in the same quarter for the defense of its Legation".

(c) That by reason of the above all of the Legations maintaining permanent guards in the quarter became jointly interested in and responsible for the maintenance of the diplomatic immunity of the quarter.

(d) That each Power maintaining a guard here becomes intimately and properly concerned with the activities of any of the other guards that may be the means of inciting attack by the Chinese upon the quarter.

(e) That we therefore feel that we are entirely within our rights when we request that the Japanese Government instruct its Commandant of Guard at Peiping in such manner as to make it possible for him to keep his Guard within the walls of the Legation Quarter except when in the opinion of the Senior Commanding Officer of all the Guards activities outside the quarter are proper.

(f) And that the best thing for the Japanese to do at this time would be for them to take their Guard away from Peiping leaving the protection of their Legation to the rest of us.

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

DEPARTMENT OF STATE

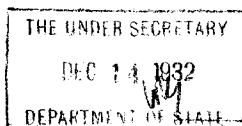
DIVISION OF FAR EASTERN AFFAIRS

September 29, 1932.

~~SKH:~~
~~ROM:~~

There is attached hereto the Legation's despatch No. 1717 of September 1, 1932, reporting circumstances with regard to certain members of the Japanese Guard carrying on maneuvers in the front yard of an officer of the American Legation Guard who lived in the Legation quarter on premises rented from the Maritime Customs. This is the incident which the newspaper correspondent Goette reported in a "fantastic" manner so as to occasion an exchange of telegrams between the Department and the Legation. It is believed that this despatch and its enclosures should be read in their entirety.

J. E. J.



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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
No. 1717
Peiping, September 1, 1932.

Subject: Activities of Japanese Legation Guard.

793.94

PM 11:05

SEP 24 1932

copy in file
Division of
FAR EASTERN AFFAIRS
SEP 26 1932
Department of State

F/HS
793.94/5567

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to my despatch No. 1697, August 24, 1932, concerning certain maneuvers of the Japanese Legation Guard that were causing uneasiness in the city, and to enclose with this despatch, for the Department's information, a copy of a memorandum of an interview between the American and Japanese Commandants on August 26th, concerning an incident which occurred during Japanese maneuvers on August 22nd when Japanese soldiers entered the compound in which the home of an American Guard officer is located. Attached to the memorandum is a copy of the officer's report of the incident to his commanding officer. I am informed by the office of the American Commandant that the Commandant of the Japanese Guard called upon the Commandant of the American

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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 Guard on August 30, 1932, and offered his
apologies.

Respectfully yours,

Nelson Trusler Johnson
NELSON TRUSLER JOHNSON

Enclosure:

Memorandum, as stated.

In Quadruplicate.

701

PWM.EA

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

C O P Y

1717
 1717
 1717

MARINE DETACHMENT, AMERICAN LEGATION,
 PEIPING, CHINA. 26 August, 1932.

The American Commandant accompanied by his Adjutant called on Colonel Aihara the Japanese Commandant at 10:20 a.m., this date. Captain Watanabe was present and officiated as interpreter during the conference. Colonel Gulick explained that his call was most informal and of a personal nature, and that he hoped that it would be received as such by the Japanese Commandant. He further states that he felt that much more agreeable relations could be established by calls of this nature than by the writing of official letters. He then explained in detail that he had come to take up an incident which had taken place at 8:30 a.m., on Monday, the 22nd of August, and which was reported to him by Captain John W. Thomason, Jr., U.S. Marine Corps, of the American Guard, copy of report attached hereto. After reading the report to the Japanese Commandant, Colonel Gulick explained that he was quite well aware that it was necessary to train troops, and simulate as near as possible the conditions which would be met with in actual warfare, but that he did not think it necessary for the troops of the various guards stationed in Peiping to enter the private compounds of foreigners and Chinese, for in doing so it frightened the wives and children and servants, and caused much unfavorable talk at the various clubs. Colonel Gulick further stated that he thought it advisable to confine training to the glacis' and their immediate vicinity. The Japanese Commandant stated that he thanked the American Commandant for advising him of the incident and stated that he would immediately conduct an investigation, and was quite sure that a similar occurrence would not take place, and that he fully realized that such actions would scare or frighten the wives of foreigners and their servants. He also stated that the officers had orders not to enter the compounds of foreigners, and that upon completion of his investigation he would so advise the American Commandant.

The American Commandant stated that he had been informed that the Japanese had inquired as to when the American Marines now at the International Rifle Range would complete their training, and that the Japanese desired to use the American Range. He advised them that the American Marines would complete their training and close camp on or about October 1st, 1932, and that after that period the American Commandant would be very pleased to have Japanese Troops conduct maneuvers on their range. With reference to the camp site used by the American Marines, the Japanese Commandant was advised the rental of \$600.00 a year was paid by the American Guard to the Chinese owner. The Japanese Commandant stated that he did not desire to use the camp site, and that his men would camp on their own range, but desired only to have permission to conduct terrain exercises on the American range. The American Commandant advised him that it would be perfectly all right for the Japanese to use the American range. There being nothing further to discuss the American Commandant thanked the Japanese Commandant for his courtesy in regards to the activities of the Japanese Guard, and departed.

(Signed) J. T. SELDEN.

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

c o p y

MARINE DETACHMENT, AMERICAN LEGATION
 PEIPING, CHINA

24 August, 1932

From: Captain John W. Thomason, Jr., USMC.
 To: Commanding Officer.

Subject: Japanese Activities; Protest Against.

1. The Commanding Officer is advised that, on Monday, 22 August, at about 8:30 A.M., two Japanese soldiers, in combat equipment, with steel helmets and fixed bayonets, entered the Customs Compound in which I reside. They came in at the #2, Rue Hart gate, passed along the Customs Offices to my house, and took position in my gate (#4 Rue Hart), where they remained for some minutes simulating rapid-fire at an object on the street outside. A non-commissioned officer joined them in the gate at #4, and stood inside it until about 8:45 when the party retired. They were apparently taking part in a manoeuvre held between Rue Marco Polo and the ex-Austrian Compound. During the course of the incident, all three uttered loud and war-like cries and rushed about among the shrubbery and flower beds at the entrance to my house.

2. An incident similar in all respects occurred on 2 July, but was not reported, since nothing of the kind had happened before, and there was no reason to assume that it would become a practice, nor did the undersigned desire to appear critical of a foreign guard.

3. In view of the repetition, however, protest is herewith submitted on the following grounds: My house is in a private compound, rented from the Chinese Maritime Customs, and is in no way connected with the Japanese Guard. The practice of dashing around corners with fixed bayonets, in confined premises, where children are usually at play, is dangerous: And finally, the appearance and demeanor of these soldiers, and the noise attendant upon such evolutions, are annoying to my family and alarming to my servants.

JOHN W. THOMASON JR.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 29, 1932.

~~OKN:~~
~~RECEIVED~~
~~SEP 29 1932~~

With the attached despatch, the Legation transmits a copy of a letter dated August 2 from Mr. Peck giving details of a conversation with Dr. Lo Wen-kan, Minister for Foreign Affairs. I suggest that this entire letter be read as it contains interesting information such as Dr. Lo's willingness to see Japan take further military operations in China as a means of stirring up patriotic fervor and his statement that China would be willing to bargain with Japan about economic rights.

J. E. J.

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



LEGATION OF THE
 UNITED STATES OF AMERICA

No. 1692

Peiping, August 15, 1932

Subject: Conversation between Counselor Peck
and Chinese Foreign Minister regarding
Jehol situation

793.94

CONFIDENTIAL



SEP 24 1932



The Honorable
 The Secretary of State
 Washington D.C.

F/HS

793.94/5568

Sir:

1/

I have the honor to enclose a copy of a confidential personal letter to me from Counselor Peck in Nanking, dated August 2, 1932, in which he refers to a conversation he had on the previous day with Dr. Lo Wen-kan, the Chinese Foreign Minister, regarding the situation in Jehol.

OC1 4 1932

FILED

Doctor Lo stated in substance that Jehol had always been considered by Japan as coming within her sphere of influence; that the loyalty of General Tang Yu-lin to the Chinese Government was not beyond question; that China was not afraid of Japanese military action as she could offer passive resistance indefinitely and wear her opponent out financially; and that further Japanese attacks would stimulate Japanese patriotism and urge it on to make sacrifices

for

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 country.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

✓ Enclosure:

1. Copy of letter from
Counselor Peck dated
August 2, 1932

CVHE/k

2 Carbon Copies
Received F.P.

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

1692

copy

Nanking Office, August 2, 1932

CONFIDENTIAL

Dear Nelson:

In another letter, of even date, I have told you of a conversation I held last night with Lo Wen-kan in regard to the Chinese-Soviet discussions. In the present letter I will report our conversation about the Jehol situation.

Lo said that the present tension between Chinese troops on the one side and Manchukuo and Japanese troops on the other has arisen from two sources. In the first place, Lo thinks that the Japanese have long had the determination to dominate Jehol province. He has seen a Japanese map on which Jehol is depicted as a part of Manchuria, or Manchukuo, and consequently as in the Japanese sphere of influence. In the second place, the situation has arisen through the activities of the Japanese officer Ishimoto. He said that it appears that Ishimoto, accompanied by Manchukuo officers, has been making repeated visits to Jehol in order to talk with General Tang Yu-lin, the Chinese General in control there, to persuade him to throw in his lot with Manchukuo. Lo said he thought it probable that Ishimoto had been "detained" by the Jehol authorities, or by "bandits". All Chinese soldiers in Jehol and Manchuria are designated by the Japanese as bandits. Lo evidently felt that he was treading on dangerous ground and would not be explicit whether Tang Yu-lin now actually has Ishimoto under restraint. He admitted that the loyalty of Tang Yu-lin to the Chinese Government is not beyond question, but he said that the whole Ishimoto incident is a device exactly like the Nakamura incident, designed to give Japan a pretext to send troops to the region visited by the agent provocateur. He referred to the published reports that the Japanese are massing a large force at Chinchow, the nearest point to Jehol.

Lo said that he thought it almost certain that the Japanese would invade Jehol and he said that, in that case, Chinese troops sent to Jehol would resist them. He told me, what he has often said before, that this "passive resistance" would take the form of guerilla warfare, and open engagements would be carefully avoided, since the Chinese know they can not defeat the Japanese in open warfare.

I said

Honorable Nelson Trusler Johnson,

American Minister,

Peiping.

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

- 2 -

I said that, from the remarks of Lo, it appeared very likely that actual hostilities between Japan and China would break out in Jehol shortly. He said that as long as Japan did not declare war, but masked her military invasion under the guise of "protecting Japanese citizens", China, likewise, would not declare war, but would oppose Japanese forces under the name of "passive resistance".

Lo said that he was not afraid of any military action which the Japanese might take, since the more open such invasion should be, the greater the benefit would be to China. He remarked that if it had not been for the Japanese invasion at Shanghai T. V. Soong would not have been able to tide over the financial crisis of the last six months. The resistance put up at Shanghai by the 19th Route Army had stimulated the patriotism of the whole country, so that not only had about ten million dollars been contributed voluntarily by Chinese citizens at home and abroad to that one organization, but the civilian employees of the Government had acquiesced in the cutting of their salaries to one third of their normal figures. If the Japanese took further open aggressive action there would be another outburst of patriotism. Consequently, he would rather welcome it.

Lo referred with satisfaction and personal pride to the recent conference of all northern military leaders in Peiping. He said that this unity and loyalty was the direct result of the Japanese threat directed at Jehol. at the same time, Lo made the interesting observation that he had been sending lengthy daily telegrams to Marshal Chang Hsueh-liang, urging him to put up a stiff resistance in Jehol, and he seemed very pleased that his exhortation had been successful. I recalled to Lo that he had previously incited the 19th Route Army to resist the Japanese at Shanghai, just as he was inciting Chang Hsueh-liang at present, and I asked him whether he had the support of his colleagues in the Government in taking this action. He said that he had.

As you know, Lo takes great comfort from the incidents of the Boer War, where the inferior Boer troops were able to resist the British Army for three years and more. It is Lo's idea that the Chinese, with their inexhaustible man power, will be able to involve the Japanese in a protracted campaign which will wear them out financially. He is very doubtful whether Japan will be able to conquer Manchuria, against resistance put up by so-called "bandits" who will be assisted secretly by the Chinese Government. Lo referred also, vaguely, to fundamental changes which might take place in the aspect of international affairs in the Far East. He asserted positively that only three nations count importantly in the Far Eastern International arena, viz, Russia, China and the United States. He seems sanguine that Japan will not, in the long run, prove a controlling factor.

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

- 3 -

I remarked that even supposing that China were ultimately successful in resisting Japan, there would have to be a long period of destructive warfare and that it would be very desirable to avoid this if possible. I asked Lo whether there were not some basis on which Japan and China could compromise. He replied quickly that China was not unreasonable. If China were permitted to retain undisputed political control of Manchuria, she would be willing to bargain with Japan about economic rights there. But, under no circumstances could China take the initiative in proposing any such thing. A compromise could be brought about only if other nations secured to China "justice".

In another of his generalizations Lo remarked that for ninety years, ever since the opium war, China had been a victim of foreign oppression and this had been due to the corruption of China's officialdom. He said that Tseng Kuo-fan who, until the age of forty-two had been nothing but a poor "H anlin" scholar and throughout his life lived with the utmost personal economy, had been the agency through which the Taipings had been put down. Tseng Kuo-fan never bought any shoes, they were made for him by the women of his family, who likewise did his cooking. At the present time the leaders of China congregate in the International Settlement, the French concession at Shanghai, and the concessions at Tientsin and live in luxury there.

China will not recover, Lo said, the position to which three thousand years of national culture entitle her until leaders emerge who are like Tseng Kuo-fan in their unselfishness and simplicity of living. Lo observed, rather naively, that several times when he was invited to big social affairs in Tientsin to which the guests came in numerous big motor cars, he walked in on foot or came in a street ricksha.

However one may regard Lo Wen-kan as an excessive drinker or an intellectual lightweight, I am obliged to conclude that he is a factor in determining the course which China is taking, or in which she is drifting, and his personal foibles are worthy of some attention. He seems really to have an ambition to go down in history as a patriot who despises luxury and wealth and dares to defy the world. As a surmise I venture the prediction that he will some time take up the extraterritoriality issue more vigorously than even C. T. Wang did, either with or without the moral support of close association with the Soviet Republic.

Lo told me that Chiang Kai-shek has been urging him to go to Hankow, but that his present eye trouble is preventing him. He remarked that a foreign eye specialist is treating his eyes, but he is also taking Chinese medicine to bring down the inflammation.

Yours sincerely,

Willys R. Peck,
 Counselor of Legation.

In duplicate to the American Minister.
 WRP:MCL .

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 30, 1932.

The Legation transmits herewith the text of the speech by Lo Wen-kan, Chinese Minister for Foreign Affairs, commenting on the speech of Count Uchida delivered before the Japanese Diet on August 25. The Legation has already transmitted excerpts by radio, but I have marked a few passages which might be of interest to you.

g-f

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



LEGATION OF THE
UNITED STATES OF AMERICA

No. 1715

Peiping, Sept. 1, 1932.

Subject: Transmitting text of speech by
Chinese Foreign Minister

PM REGD

SEP 24 1932

The Honorable
The Secretary of State
Washington D.C.

Copy in file
Division of
FAR EASTERN AFFAIRS
SEP 26 1932
Department of State
Feb
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Sir:

In compliance with the Department's telegraphic
instruction No. 294 of August 30, 5 p.m., the most
important portions of the speech which Doctor Lo Wen-
kan, the Chinese Minister for Foreign Affairs, deliv-
ered at Nanking on August 29, 1932, were telegraphed
to the Department in the Legation's telegram No. 1036,
of August 31, 1 p.m.

1/ I now have the honor to transmit the full text
of the speech as published by Reuter in the PEIPING
CHRONICLE on August 31, 1932. The Legation understands
that this English translation was prepared by the Chin-
ese Foreign Office and was handed to foreign news agen-
cies in Nanking on August 29.

Respectfully yours,

Nelson Trusler Johnson
Nelson Trusler Johnson.

Enclosure:
1. Text of speech of
Foreign Minister

800
CVHE/k

F/HS

793.94/5669

OGT 6 1932

FILED

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

THE PEIPING CHRONICLE, Wednesday, August 31, 1931

Japan Throws Down Gauntlet To the Conscience of the World

**Uchida's Speech Criticised by Lo Wen-Kan who
Says China will Accept Reasonable
Settlement of Dispute**

Router

NANKING, August 29.—Dr. Lo Wen-Kan, the Minister for Foreign Affairs, delivered the following speech at to-day's memorial service at the Wai-chiaopu:

"Japan has at last thrown down the gauntlet against the conscience of the whole world. The long speech delivered before the Japanese Diet on August 25 by Count Uchida, the Japanese Minister for Foreign Affairs, laid bare Japan's intentions so completely that she need not seek any pretext in the further prosecution of her scheme of aggression in China. Ignoring the entreaties of peace of all humanity, defying the League of Nations and any other machinery of peace and disregarding her obligations assumed under solemn international treaties, Japan has told the world in effect that she has the right to invade the territory of China, to seize the Three Eastern Provinces, to set up a puppet Government and call it an independent state, and finally to shape and control its destiny until Japan and her puppet become one political entity in name as well as in fact. Count Uchida's thesis is indeed a tale of medieval militarism guised in twentieth century language.

Plea of Self-defence

"Japan has pleaded self-defence for all her acts of aggression, and she now argues that the exercise of the right of self-defence may extend beyond the territory of the Power exercising that right, and that the Kellogg-Briand anti-war pact does not prohibit a signatory Power from availing itself of that right at its own discretion. Such a pernicious argument reveals an attempt on the part of Japan to destroy the validity of the anti-war pact altogether. If it could be accepted by the other 61 signatory Powers as a correct interpretation of that

epoch-making treaty, then the whole document would be a sham, and the nations which have renounced war as an instrument of national policy would seem to have reserved the right to fight an aggressive war on the territory of a neighbouring Power.

Pacific Means Unsought

"In point of fact, the signatory Powers of that famous treaty, including Japan, mutually agreed that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they might be which might arise among them, shall never be sought except by pacific means. If Japan had really suffered injuries to her important rights and interests in China as she now seems to contend, she could have resorted to any of the pacific means known in international law to seek due redress from the Chinese Government. Without even bringing any cause of complaint to the Knowledge of the National Government, Japan on the night of September 18, 1931, caused her troops to open a sudden and unprovoked attack on the Chinese garrison in Shenyang (Mukden) and seize that city by force, and then deliberately and progressively extended her military operations until the whole of Manchuria is now under her occupation and control. To plead self-defence under such circumstances only aggravates the wrong of the pleading party. In the recently uttered words of Colonel Stimson, Secretary of State of the United States of America, 'a nation which sought to mask imperialistic policy under the guise of defence of its nationals would soon be unmasked, and Japan has already unmasked herself.

A Japanese Creation

"It is a highly preposterous assertion that the puppet

organization created and supported by Japan herself has achieved its independence through the spontaneous will of the Manchurians and that the Nine Power Treaty does not forbid any separatist movement in China, nor recognition by Japan of any new State formed as a result of such a movement.

"The whole world knows that in the Three Eastern Provinces there has never been any separatist movement from within, but there has been an aggressive and imperialistic movement from without. It is the Japanese militarists who have brought all the theatrical paraphernalia to Manchuria and set up on the stage a bogus government styled by the epithet of the Independent State of 'Manchukuo'. It is the Japanese militarists who have translated their own free will into action. It is the Japanese militarists who are brow-beating, intimidating and oppressing the 30,000,000 citizens of the 'Republic of China' who are prevented by sheer force from asserting their own spontaneous will. Geographically, historically and psychologically, the Three Eastern Provinces will remain a part of the Chinese territory and the inhabitants in these provinces will remain loyal citizens of the Chinese Republic. Japanese troops once withdrawn, the bogus organization will at once collapse like a pack of cards.

Violation of Treaty

"If there were in China separatist movement in the true sense of the term, the Nine Power Treaty might not be brought into play, as that treaty is not designed to regulate questions in China of a purely domestic nature. But when a part of Chinese territory has been forcibly seized and occupied by Japan who maintains therein an organization of its own creation, there is not the slightest doubt that such actions constitute a flagrant violation of those provisions of the Nine Power Treaty whereby the signatory Powers, including Japan, engage to respect the territorial and ad-

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ministrative integrity of China.

Japan's guilt in violating this treaty commenced with the opening of her attack on the night of September 18, 1931, and has been continuously aggravated with each of her subsequent acts, including the kidnapping of Pu Yi and placing him at the head of the puppet organization. Her guilt will assume still greater proportions but will not be of a different nature when she carries out her declared intention to accord recognition to the unlawful regime she herself has created.

Manchurian Opposition

"Count Uchida knew himself that he was really making an assertion which was diametrically opposite from truth when he declared that Manchuria had entered upon a career of sturdy and healthy progress. There are unmistakable evidences of the people's opposition to Japanese domination gathering momentum every day and everywhere in the Three Eastern Provinces. In the face of Japanese bombing and fire the Volunteer forces keep on their activities with redoubled energy. As for commerce and industry in Manchuria, they have been steadily on the decline since the Japanese occupation, and in fact never have the economic conditions in that region been worse than they are at present. There will be no peace and prosperity in the Three Eastern Provinces until all the Japanese troops have been withdrawn from the places where they have no rights to appear, and until the Chinese Government regains control over the land now temporarily lost to us.

Japan Takes Advantage

"The Japanese Foreign Minister in attempting to justify Japan's aggression in China referred to our domestic administration and the activities of Communists. We do not pretend to possess a perfect administration free from those political vicissitudes common to all countries. Nor do we

claim complete successes in our work of suppressing Communism thus far undertaken. We also admit that we have not been exempt from the effects of the universal economic depression. We were harrassed last year by unprecedented floods and are still suffering from their damaging consequences. Under such circumstances we had believed that the Japanese people, like the people of every other nation, would have shown us the greatest sympathy and given us at least moral held in our stupendous task of rehabilitation. That Japan should take advantage of China's internal difficulties to launch a premeditated scheme of military aggression yet unheard of in the annals of the modern world, was indeed beyond human conjecture.

Whole World Defied

"Japan has now defied the whole world—the League of Nations, the anti-war pact, the Nine Power Treaty and other international commitments, and finally the public opinion of mankind. She is labouring under the fanciful idea that she could realize her dream of military conquest by rushing matters through and creating faits accomplis before the world pronounces its final judgment. But the enlightened nations of the world have already declared that they will not recognize a situation brought about by violence.

"I want to take this opportunity to emphasize a few important points in the policy of the Chinese Government in respect of the present situation.

No Anti-foreign Feeling

"(1) Neither the Chinese Government nor the Chinese people entertain the least anti-foreign feelings. However in view of the present state of affairs produced by Japanese military aggression, it would be absolutely impossible for the Chinese people to express the most cordial and friendly sentiments to the Japanese

people. It entirely rests with Japan herself to improve and restore the relations between the Chinese and the Japanese people.

"(2) China will never surrender one inch of her territory nor any of her sovereign rights under the stress of military force which she condemns and is determined to resist to the best of her ability.

Reasonable Settlement Wanted

"(3) China will never agree to any solution of the present situation which takes into account the puppet organization of the Three Eastern Provinces, established, maintained and controlled by the Japanese military forces.

"(4) China is confident that any reasonable proposal for the settlement of the present situation will be necessarily compatible with the letter and spirit of the Covenant of the League of Nations and the anti-war pact and the Nine Power Treaty, as well as with China's sovereign power, and will also effectively secure everlasting peace in the Far East."

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

THE PEIPING CHRONICLE Wednesday, August 31, 1931

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

RCM
SAX

To note that
Minister Johnson
Commended Col.
Gasser.

8:8

1858

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

No. 1694

Peiping, August 20, 1932.

Subject: Commendation of 31st Infantry.

SEP 24 32

793.94
note
7/11/20



F/HS

793.94/5570

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

1/

I have the honor to transmit herewith, for the records of the Department, a copy of my letter of August 18, 1932, to Colonel Lorenzo D. Gasser, United States Army, the commanding officer of the Thirty-First United States Infantry Regiment, which recently returned to its base in the Philippine Islands after a tour of duty at Shanghai during the recent Sino-Japanese emergency. In the letter I convey my appreciation to Colonel Gasser, the officers and men of the regiment for the gallant and loyal manner in which they performed their arduous duties under trying and difficult conditions.

Respectfully yours,

Nelson Trusler Johnson
NELSON TRUSLER JOHNSON.

Enclosure:
As indicated.

800

PWM:epg

FILED

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

1694

Peiping, August 18, 1932.

Dear Colonel Gasser:

I should have written to you some time ago to express to you and through you to the officers and men of your command my appreciation of the gallant and loyal way in which they performed, under conditions that were most trying and difficult, the arduous duties that were required of them in Shanghai. It was specially pleasing to me as an American citizen to meet and know you and the members of your command and through them to become acquainted once more with the high standards set by the commissioned and enlisted personnel of our Army.

With kindest regards, I am

Truly yours,

Colonel Lorenzo D. Gasser, U.S.A.,
 Commanding 31st United States Infantry,
 Manila, P. I.

NTJ:epg

A true copy of
 the signed orig-
 inal.

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



PM 1058

LEGATION OF THE
 UNITED STATES OF AMERICA
 Peiping, August 31, 1932.

No. 1718

SEP 24 32

Subject: International Defense Plan for
Legation Quarter, Peiping.

STRICTLY CONFIDENTIAL

F/Hs

793.94/5571

793.94

24 931/102
 593/102

The Honorable
 The Secretary of State,
 Washington.



Sir:
 793.94/5541

I have the honor to refer to my despatch
 No. 1628 of August 18, 1932, forwarding copies
 of the International Defense Plan of the Lega-
 tion Quarter, and to enclose herewith copies of
 1/ the maps mentioned in that despatch.

Respectfully yours,

Nelson Trusler Johnson

NELSON TRUSLER JOHNSON.

Enclosure: ✓

Maps, as stated.

PWM.EA

2 Carbon Copies

Received

OK
 JM

CONFIDENTIAL FILE

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

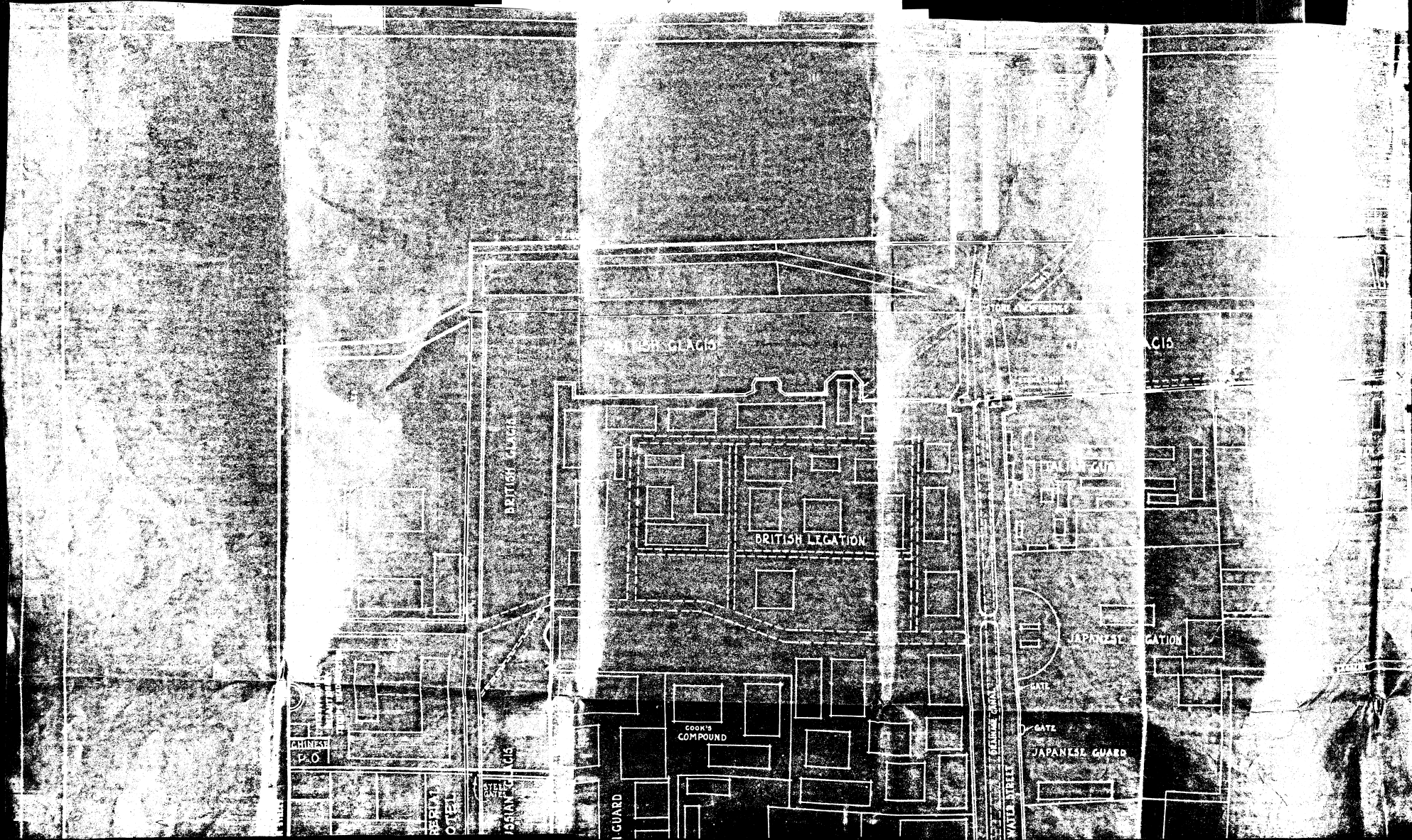
*Enclosure to despatch 1718
from Peking, Aug. 31, 1932*

Confidential File

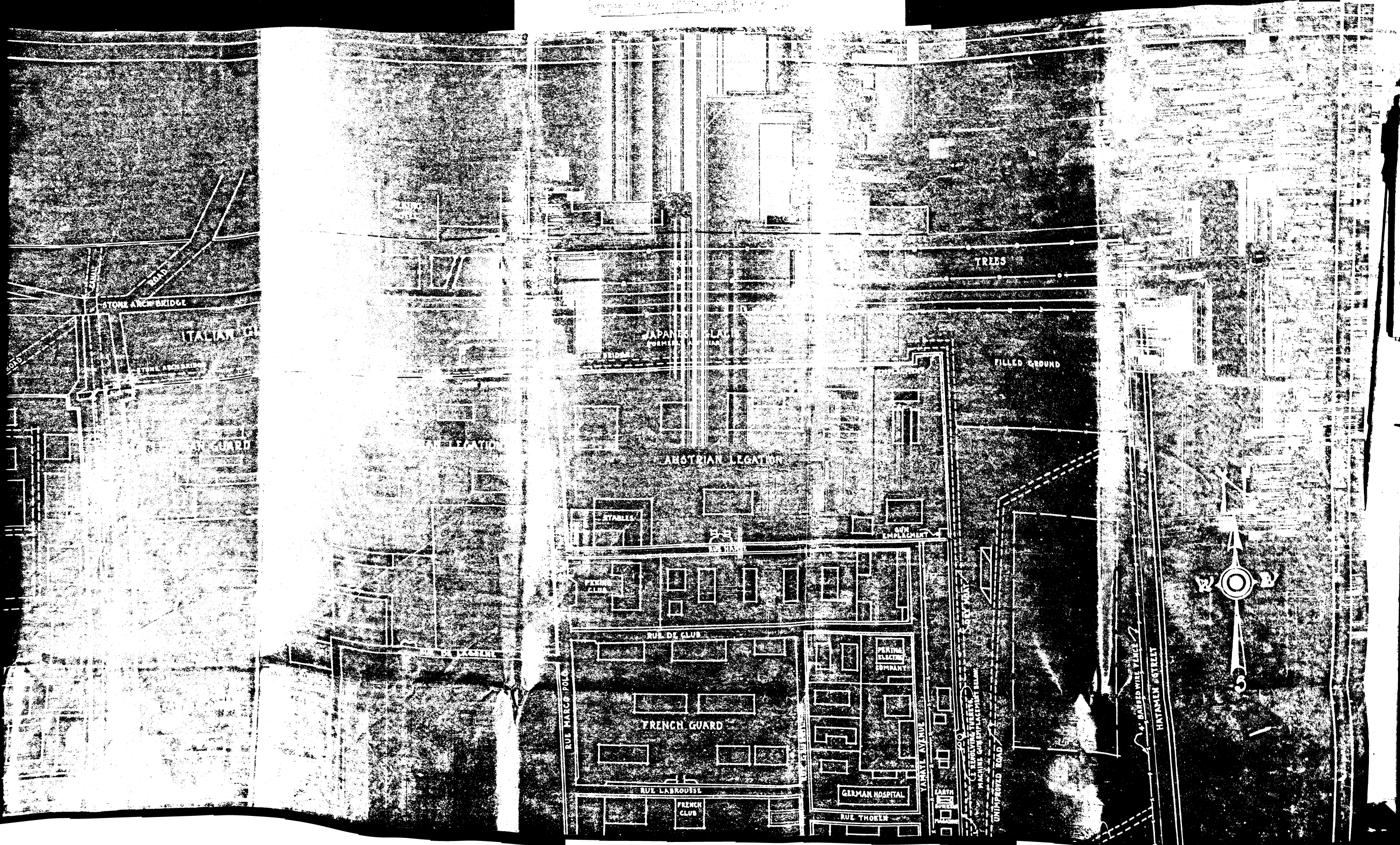
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Confidential File

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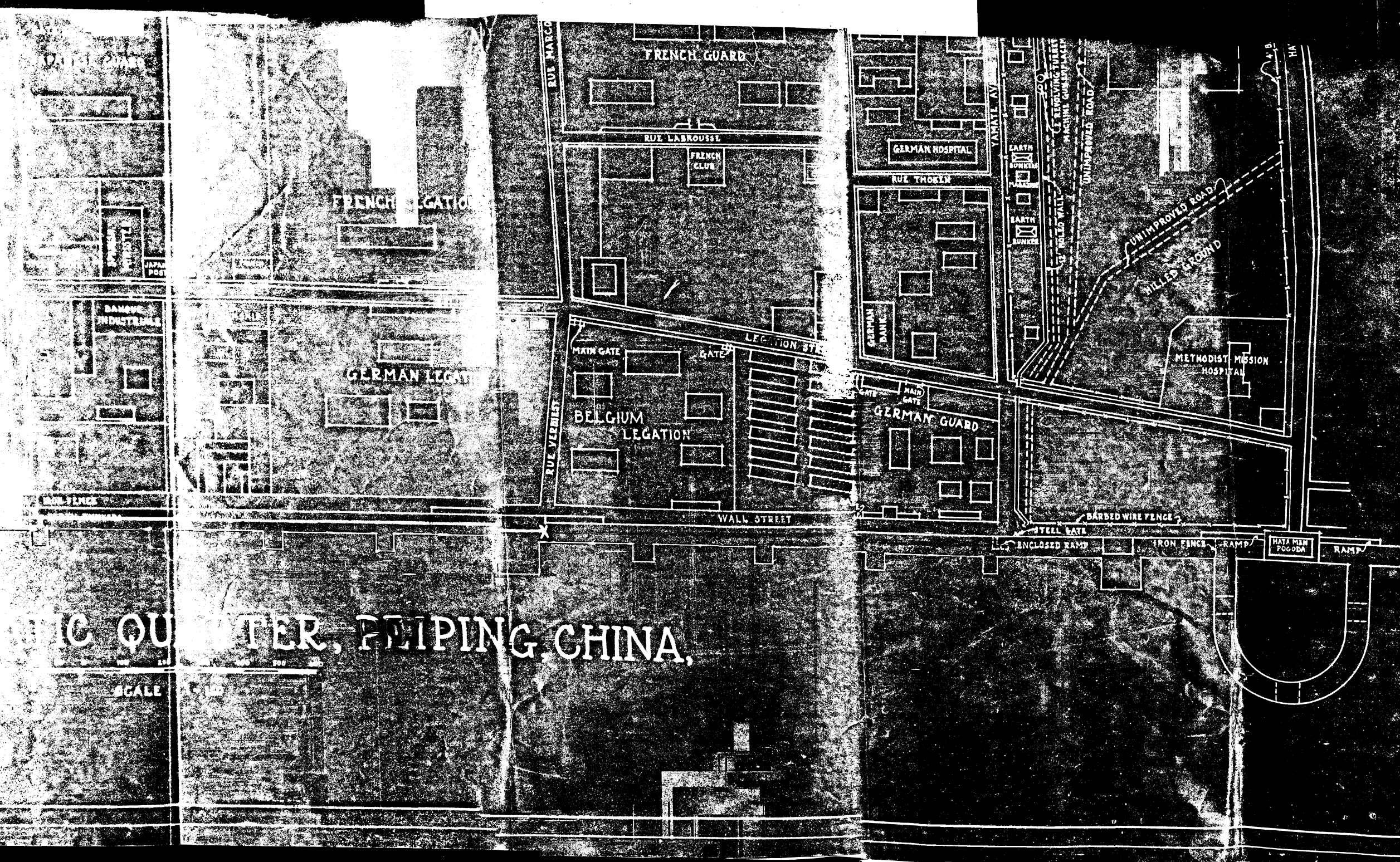
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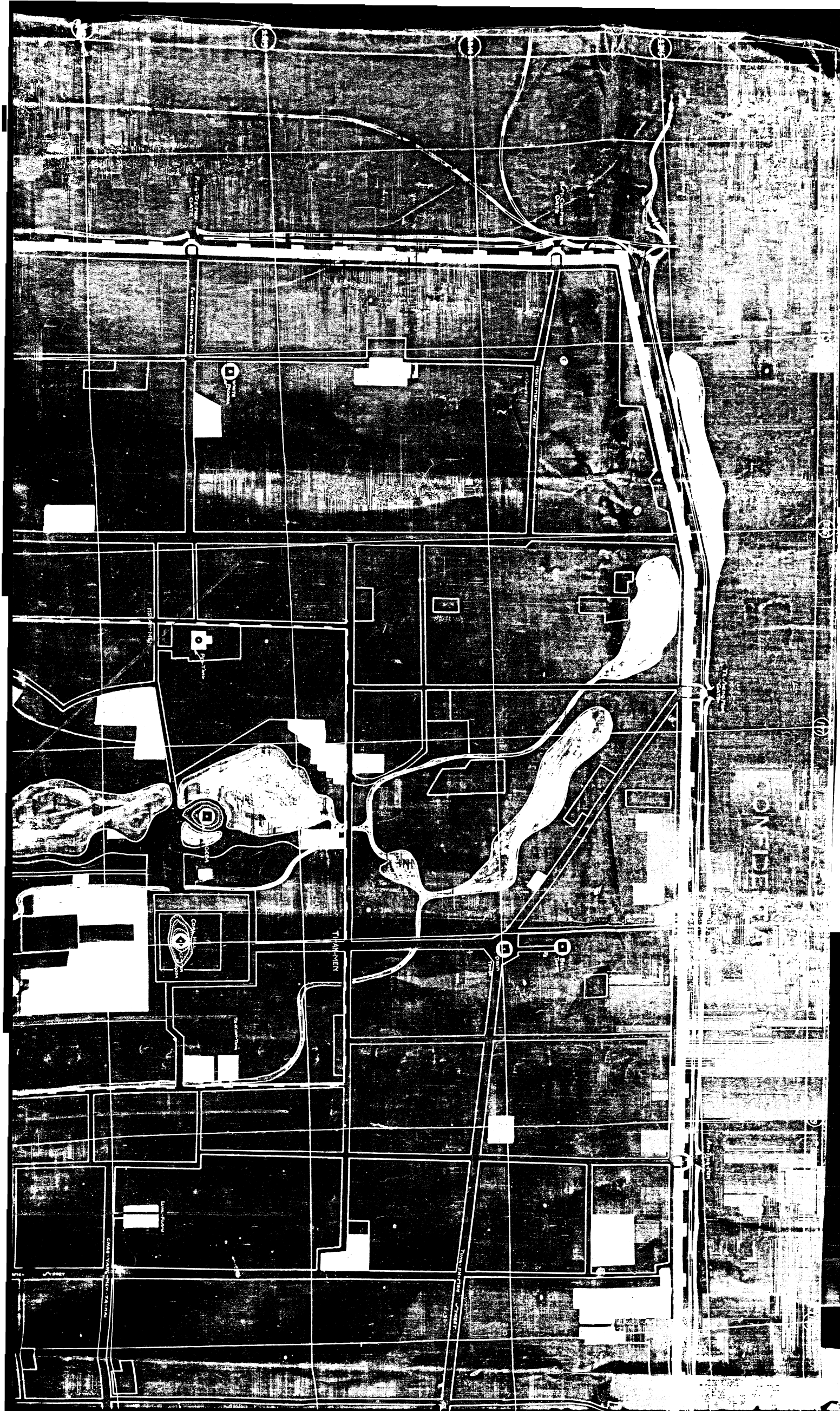


0865



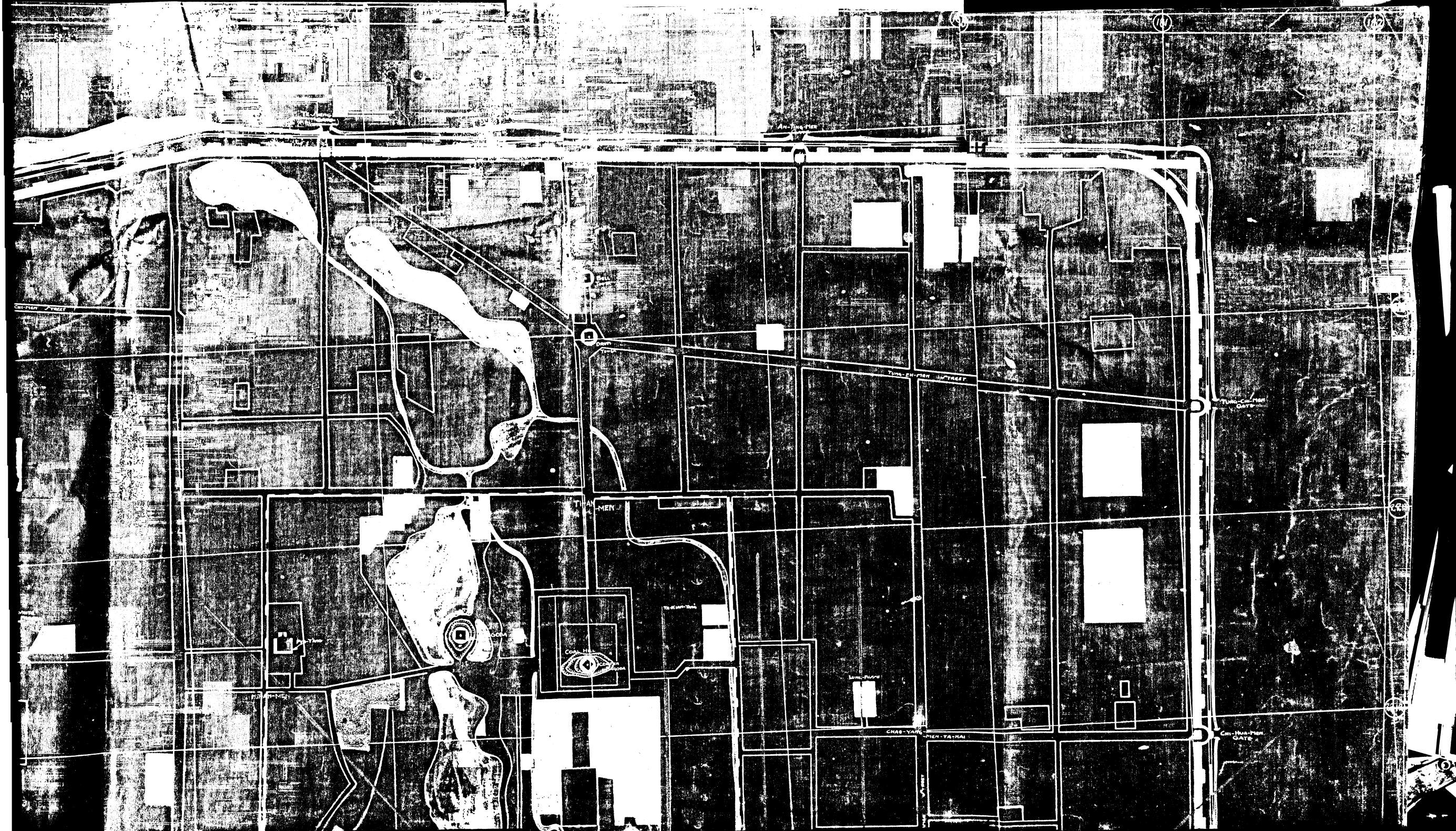
INTERNATIONAL QUARTER, PEIPING, CHINA.

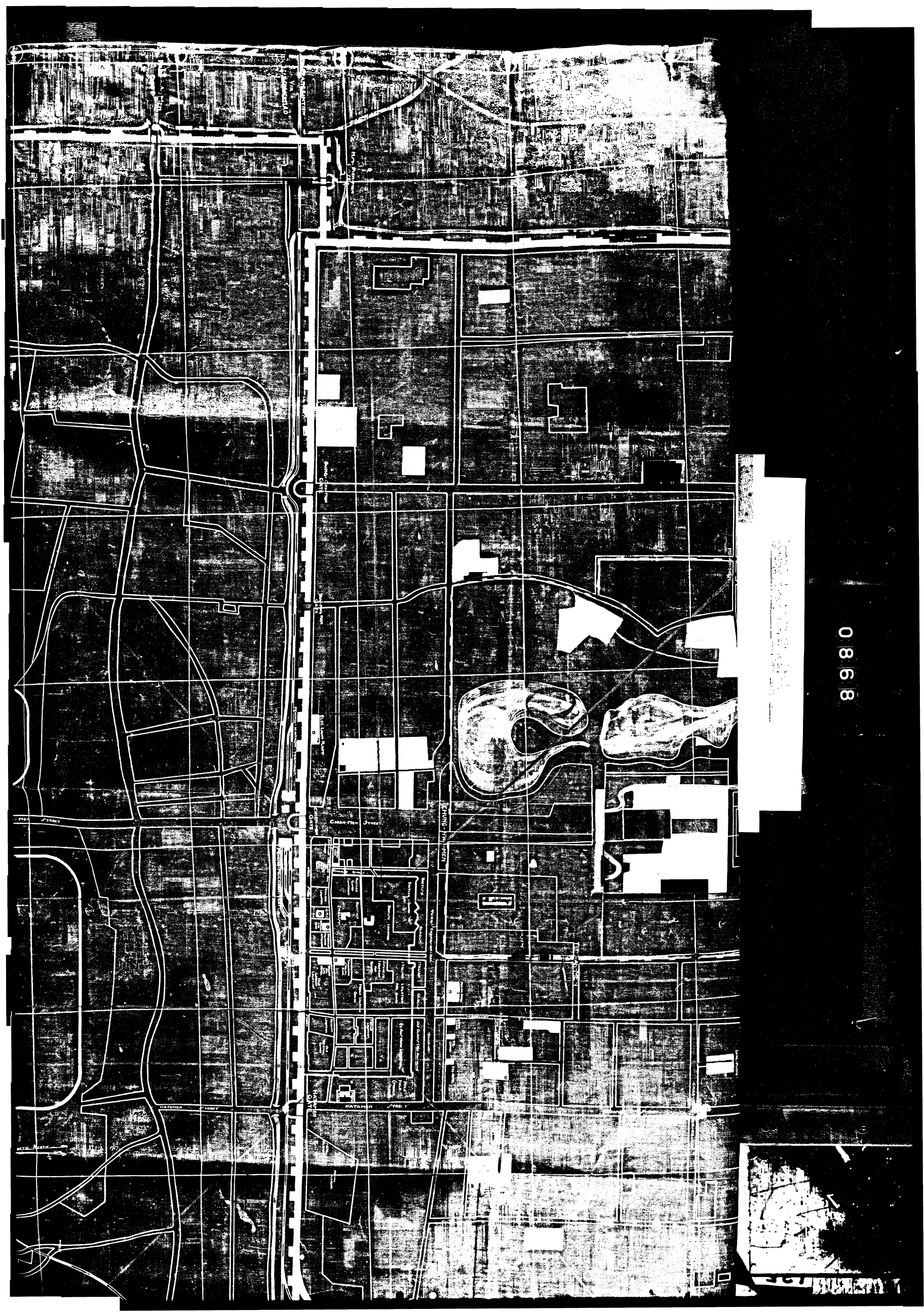
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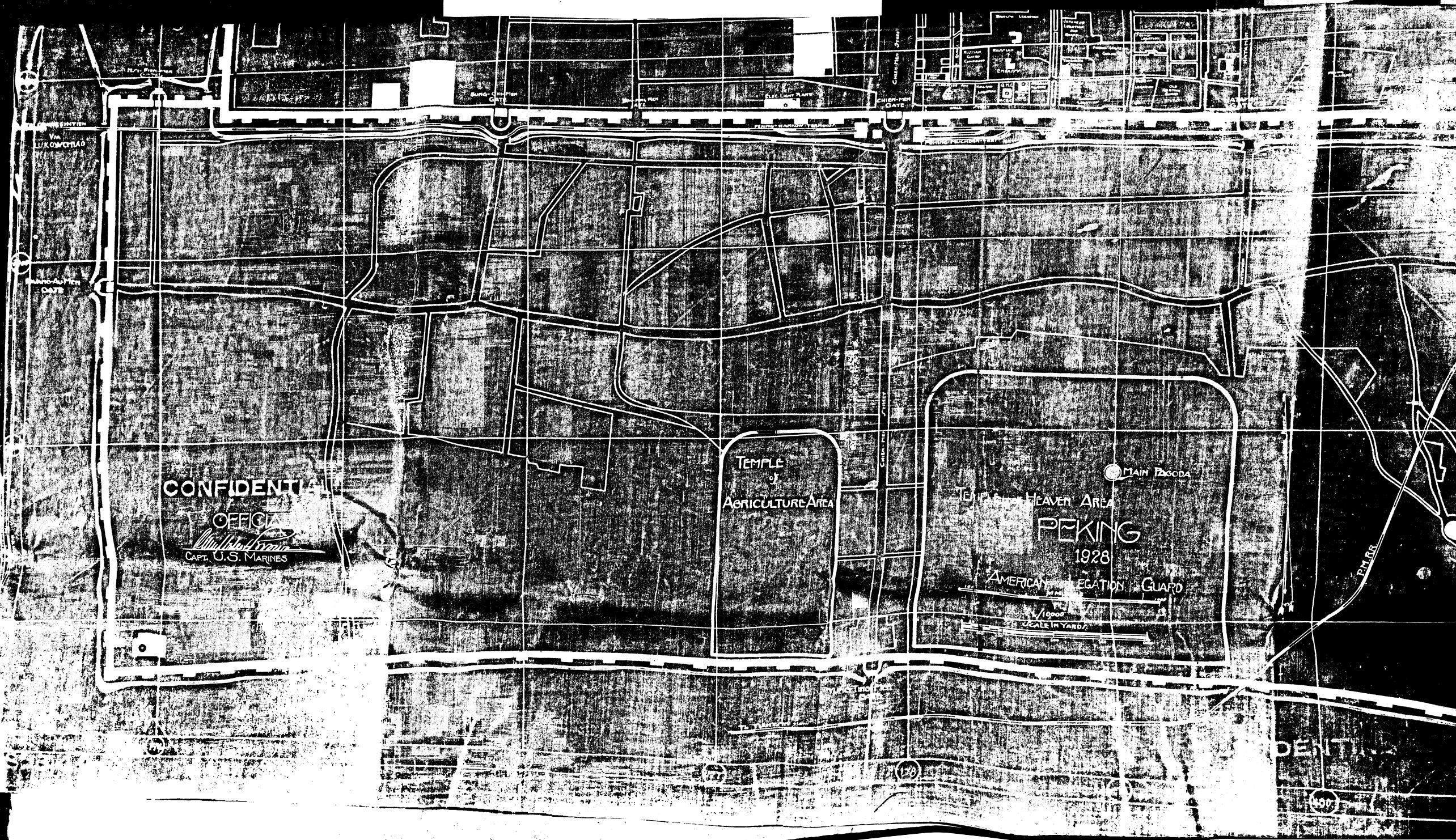
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DECLASSIFIED: E.O. 11652
Department of State letter, August 12, 1964
By Milton C. Gustafson NARS, Dat _____



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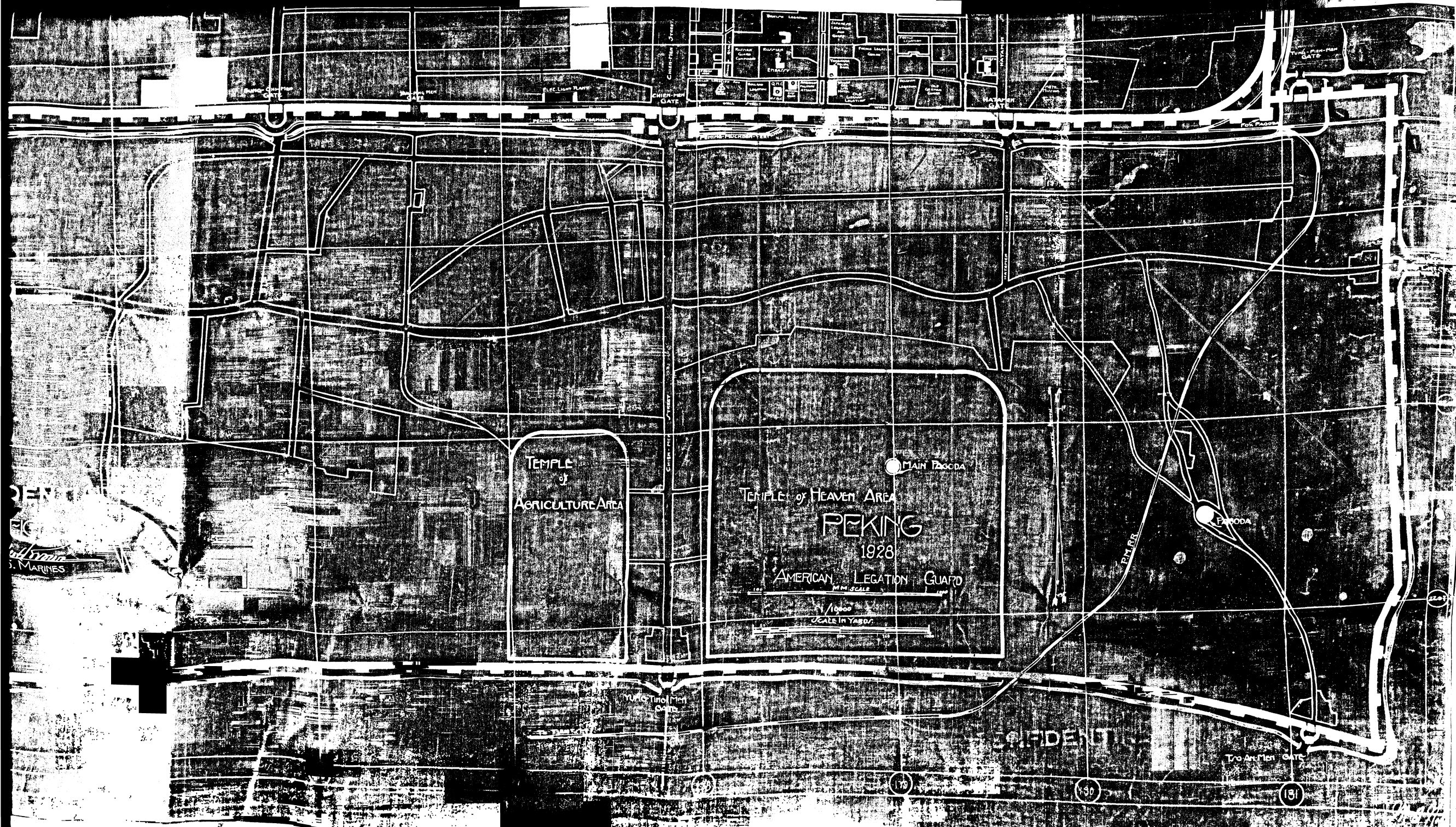
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AGRICULTURE AREA

TEMPLE OF HEAVEN AREA
PEKING
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AMERICAN LEGATION GUARD

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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 D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 28, 1932.

~~RCM:~~
~~SKH:~~

H

The Consul General at Shanghai transmits herewith a newspaper article giving the details as known to Mr. W. H. Donald of how the Twenty-one Demands made by Japan in 1915 were revealed to the world. I think that Mr. Donald's views in this connection are worth reading.

f. w. f.

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

No. 8479

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

AMERICAN CONSULAR SERVICE.

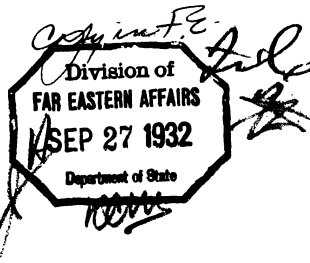
American Consulate General,
Shanghai, China, September 1, 1932.

F/HS

Subject: The 21 Demands. Statement by Bishop
James W. Bashford.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

Sir:



793.94/5572

No doubt the Department and the Legation have been interested in the statement which has been recently published from notes dictated by the late Bishop James W. Bashford regarding the history of the 21 demands presented to China by Japan in 1915. I have the honor to enclose an article dated Peiping, August 25, 1932, appearing in THE NORTH CHINA DAILY NEWS (British) of today's date under the heading "The Twenty-one Demands," which quotes extensively from an alleged interview with Mr. W. H. Donald, who in 1915 was THE TIMES (London) correspondent in Peiping. Mr. Donald does not entirely agree with the statement issued which purports to be from the notes of Bishop Bashford.

Respectfully yours,

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

Enclosure:

1/- Article from THE NORTH CHINA
DAILY NEWS of September 1, 1932.

ESC MB
800

In Quintuplicate.
In Triplicate to Legation.

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

Enclosure No. 1 to despatch No. 8479 of Edwin S. Cunningham,
 American Consul General at Shanghai, China, dated September
 1, 1932 on the subject: "The 21 Demands. Statement by
 Bishop James W. Bashford."

Article from THE NORTH CHINA DAILY NEWS (British)
 of September 1, 1932!

THE TWENTY-ONE DEMANDS

SEP 1 - 1932

H. C. D. M.

How Details of an Historic Document were Divulged to the World

FROM OUR OWN CORRESPONDENT

Peking, Aug. 25.

Some interesting revelations have appeared recently in the local Press describing the political activities of American missionary bodies in China in connection with the famous Twenty One Demands. They are notes dictated by the late Bishop James W. Bashford, an American missionary in China, a year before his death, describing how he was the first to obtain full details of these demands and how he helped to bring pressure on the State Department in Washington in connection with same.

As these memoirs mention by name Mr. W. H. Donald who was at that time correspondent of "The Times" in Peking and was in close touch with all the persons and events behind the scenes in this drama, I asked him to let me have his comments on these revelations. Mr. Donald said that many of Bishop Bashford's details as to what had actually happened in Peking itself were quite inaccurate and that the chapter in Dr. Reisch's book "An American Diplomat in China" gave a more correct account. To cite only a few instances: Mr. Donald never at any time met Bishop Bashford, as that gentleman asserts; nor did he resign from "The Times"; nor did Yuan Shih Kai send for the British and American ministers, when the demands were first presented. In Mr. Donald's opinion Bishop Bashford must have dictated these notes pure from memory and without any intention that they should be published. In view of the historical interest of this subject at the present time, Mr. Donald then gave me the following account of the way in which these Twenty One Demands were presented to China by Japan at the beginning of 1915:

Extraordinary Secrecy

The most interesting point about the presentation of the Twenty One Demands, apart from their actual intention, was the extraordinary care that the Japanese took to keep them secret and the way in which they succeeded in bluffing the Press and Governments of the whole world for quite a number of weeks.

On the night of January 18, 1915 the Japanese Minister, Mr. Hioki, delivered personally to the then President of China, Yuan Shih-kai, the now notorious Twenty One Demands. I had to leave for Shanghai early that morning (not for Tokyo, as stated by Bishop Bashford; nor did I ever receive any invitation from the Japanese, as he states); but having heard from a

Chinese Cabinet Minister that a special interview with President Yuan had been asked for by Mr. Hioki and that there was a certain amount of suspicion attached to the nature of the interview, I specially instructed Mr. F. L. Pratt (now on the editorial staff of the China Press) whom I left in my place, to ascertain the nature of the interview and telegraph it to "The Times." But for several days it was difficult for anyone to obtain any accurate idea of what had taken place, though the fact leaked out that Japan was endeavouring to take advantage of the Allies who at that period were fully engaged with the War. In order to enforce complete secrecy, Mr. Hioki, I was told, had hinted at the interview that, if the nature of the demands was allowed to become public, the Japanese would bring back Dr. Sun Yat-sen who was at the time a refugee in Japan and would help him to start a revolution against Yuan Shih-kai.

Elimination

I got back to Peking about January 23, when I at once called on the British and American ministers who were completely in the dark as to the real nature of the demands and urged me to try and obtain full details. As the Chinese officials with whom I was acquainted were much too afraid to venture to give me any direct information, I was forced to adopt the following method of procedure: I had a fairly rough idea as to what the Japanese demands were likely to be. I, therefore, wrote down every possible point that I could think of, handed the list to my Chinese friends and requested them to strike out any points that were not included in the Demands. By gradually adding to the material and trying it out on different officials I managed in the course of under two weeks to obtain a fairly complete list of the Twenty One Demands. I kept the British and American ministers fully informed of each new point, as I discovered it.

It was during the time that I was making these enquiries that I was told of a significant conversation that the late Mr. Chow Tzu Chi, a member of the Cabinet, had with Mr. Funatsu, who was in those days an official in the Japanese Legation. Mr. Funatsu had invited Mr. Chow to dine with him and discuss art. Nobody else had been invited; and at the dinner, much to Mr. Chow's relief, if perhaps surprise, they actually did confine themselves to discussing art. But after dinner, on returning to the sitting-room where a large map of the world was hanging on the wall that had not been there before dinner, Mr. Funatsu went up to it and said:

"I would like to explain to you the real reasons why we have put in these demands and in such a form."

"What demands?" asked Mr. Chow with an air of innocence,

all this secrecy, in order to prevent the interference of the other Powers.

Mr. Chow Tzu-chi contented himself with the comment that the ousting of the White Races might be a more dangerous business than Mr. Funatsu imagined, hastily took his departure, greatly relieved that it was nothing worse, and hurried round to tell me about it.

Japanese Denials

On February 11, I despatched a long telegram of over three hundred words to "The Times" containing a full statement of the information that I had succeeded in collecting as to the details of the demands. Just as I had finished typing it out, Mr. F. Moore of the Associated Press came into my room asking for news. I handed him a copy and, in reply to his request, agreed to let him send it to his people, if he paraphrased it. He asked me who were my informants. Of course I could not tell him this, but on my explaining roughly how I had obtained the information, he decided to despatch it. In reply he received a cable from Mr. Melville Stone, the head of the Associated Press in the States, saying that they had shewn his message to Viscount Chinda, the Japanese ambassador to the U.S.A. who had categorically denied that any such demands had been made to China, and further stating that the Associated Press would not publish this message nor any further messages on this subject, until Mr. Moore was unable to quote me as his source or to give the names of those Chinese officials who had assured him that his despatch understated the demands. His message was therefore never published; and later on, as a result of some heated correspondence on the subject, Mr. Moore left the Associated Press.

"The Times" Message

Much the same happened with my telegram to "The Times." Mr. Wickham Steed, the editor, called on the Japanese ambassador in London who also at first categorically denied that any demands of any kind had been made to the Chinese. But on Mr. Steed reading out my message, the ambassador admitted that perhaps a few general claims might have possibly been made in connection with Japan's admitted rights in Manchuria, but certainly nothing more. In view of this statement of the ambassador "The Times" only published expurgated bits of my message and sent me a telegram ordering me to verify my information as they had reason to believe that Peking reports were wilfully exaggerated.

On receipt of this telegram I communicated with the British Legation who agreed to confirm to the Foreign Office the truth of my information and to advise "The Times" to publish it. On the following day, I telegraphed back that all reports sent out by me could be confirmed by the Legation, that I was scrupulously careful of all facts and that

I would prove that acceptance by "The Times" or the British people of denials by the Japanese would do the gravest injustice to a country whose integrity and independence Great Britain had guaranteed.

The Test Obtained

When I received the telegram from "The Times," I went to my friends in the Cabinet and pointed out to them that the Japanese had apparently held up publication of the demands throughout the world. And I said that it was of the greatest importance for them to counteract this by giving me at once a full and exact translation of all the demands. But even then the Chinese were too much under the influence of the Japanese threats to venture to give the information to me personally. I therefore made arrangements that the translation should be given to Dr. Morrison, the well-known adviser to Yuan Shih-kai, and, in order meet any accusation that the demands were officially given out, that I could pick them up from his desk, as he was going into his library. This was done. On comparing the translation with what I had already cabled to London, I was astounded to find that I had but half stated the nature of the Demands. I then sent a second long telegram to "The Times" with the details of the true demands. On February 17 "The Times" cabled back in reply that this message also was being held up pending inquiry. Meanwhile, whilst "The Times" under the influence of the Japanese denials was still hesitating about publishing my messages in full, the full text of the Twenty One Demands appeared in the Manchester "Guardian," the Chicago "Tribune," and the local Peking papers.

Time proved, of course, that the Japanese denials were entirely false and that my messages were correct, but temporarily anyhow, the Japanese did achieve their object of keeping the Demands from being published and of bluffing the rest of the world.

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

Enclosure No. 1 to despatch No. 8479 of Edwin S. Cunningham,
 American Consul General at Shanghai, China, dated September
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Article from THE NORTH CHINA DAILY NEWS (British)
 of September 1, 1932.

THE TWENTY-ONE DEMANDS

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It was during the time that I was making these enquiries that I was told of a significant conversation that the late Mr. Chow Tzu Chi, a member of the Cabinet, had with Mr. Funatsu, who was in those days an official in the Japanese Legation. Mr. Funatsu had invited Mr. Chow to dine with him and discuss art. Nobody else had been invited; and at the dinner, much to Mr. Chow's relief, if perhaps surprise, they actually did confine themselves to discussing art. But after dinner, on returning to the sitting-room where a large map of the world was hanging on the wall that had not been there before dinner, Mr. Funatsu went up to it and said:

"I would like to explain to you the real reasons why we have put in these demands and in such a form."

"What demands?" asked Mr. Chow with an air of innocence, suspecting some kind of trap to discover how certain leakages were taking place.

Mr. Funatsu ignoring the question proceeded to point out on the map that the greater part of the world was now held by the white races. That these were at that moment fighting amongst themselves and thus weakening themselves. That now was, therefore, the moment for the Japanese and Chinese peoples to join together preparatory to winning back their fair share of the world's territory for themselves. In fact, that the Japanese demands were really nothing more than a proposal of alliance that had had to be made in this form and with

all this came in the form of a telegram to "The Times." Mr. Wickham Steed, the editor, called on the Japanese ambassador in London who also at first categorically denied that any demands of any kind had been made to the Chinese. But on Mr. Steed reading out my message, the ambassador admitted that perhaps a few general claims might have possibly been made in connection with Japan's admitted rights in Manchuria, but certainly nothing more. In view of this statement of the ambassador "The Times" only published expurgated bits of my message and sent me a telegram ordering me to verify my information as they had reason to believe that Peking reports were wilfully exaggerated.

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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. Hueston NARS, Date 12-18-75

Return to 72

TELEGRAM RECEIVED

RE:

This telegram must be closely paraphrased before being communicated to anyone.

FROM

PEIPING

Dated September 28, 1932

Rec'd 7:44 a.m.

Secretary of State,

Washington.

#1148

September 28, 10 p. m.

Your 320, September 19, 3 p. m.

CONFIDENTIAL FOR THE SECRETARY.

British Charge d'Affairs was instructed by his Government to comment upon suggestions made to British Government by the Department. He and I and French Minister discussed the question of neutralization of Peiping and its environments along the following lines:

- (a)- The move should be made by Doyen of the Diplomatic Corps and given utmost publicity.
- (b)- Preliminary sounding as to acceptability of project both in Tokyo and here might be desirable but no official step should be taken till danger is imminent.
- (c)- Legation guards should undertake no commitment outside of quarter.
- (d)- Maintenance of order in Peiping should be sole responsibility of Chinese police.
- (e)- Japanese nationals should be evacuated either to the quarter itself or away from Peiping altogether.

(f)-

793.94
note
793.102 Referring

RECEIVED
SEP 28 1932

OCT 4 - 1932
file bel. to Peiping
out. 4. 1932
793.94/5573
Division of
FAR EASTERN AFFAIRS
SEP 29 1932
Department of State

FILED
DEC 14 1932

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

REP

2- From Peiping, Sept.28,10a.m.

(f)- International commission should be set up on
Shanghai analogy.

(g)- There should be some understanding as to when
arrangement ceases, say, when commission (see f above)
consider hostilities have ceased.

(END SECTION ONE)

JOHNSON

KLP

WSB

7 8 / 4

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

cib
This telegram must be
closely paraphrased be- Peiping
fore being communicated
to anyone.

TELEGRAM RECEIVED

FROM Dated September 28, 1932

RECEIVED Recd 12:52 a.m., 29th.

SEP 29 1932

DIVISION OF

Secretary of State
Washington.

1148, September 28, 10 p.m. (SECTION TWO.)

We also submitted question to our military attaches who stated among other things that if any action were taken it should be carried out as soon as possible for there is no guarantee that we shall have sufficient notice to prevent a disaster if we delay this action until the moment of hostilities.

In other words it was the considered view of our military attaches that it would be impracticable to wait until the hostilities begin or appear imminent to suggest to the Chinese Government and Japanese Government that they enter into an agreement for the neutralization of Peiping and its environments.

My French colleague, the British Charge and I agreed:

(A) That Wellington Koo was the only local source for a suggestion of neutralization of the City of Peiping and he is now gone. We do not know the attitude of responsible local Chinese on this question and from our knowledge and experience of Japanese actions we believe that the Japanese would be loath to enter into a discussion of an arrangement

18 / 1

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- # 1148, September 28, 1932, (SECTION TWO),
from Peiping.

ment for neutralization of Peiping and its environs and
thus forego the advantage of an attack.

(B) There is at present no indications of any
intention on the part of the Japanese to take action in
this area.

(C) It would be difficult for the diplomatic body
acting through the doyen to initiate discussions with the
Japanese at this time and we believe that if we await
imminence of an attack it will be very difficult to commence
negotiations.

(D) It is therefore our conclusion that the only
alternative left is the one previously suggested, namely,
that if and when hostilities begin or seem imminent we
approach both governments calling their attention to the
existence of diplomatic quarter and demanding its protection.
(END MESSAGE)

JOHNSON

JS CIB

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

1-138
 PREPARING OFFICE
 WILL INDICATE WHETHER

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TELEGRAM SENT

This cable was sent in confidential Code.
 It should be carefully paraphrased before
 being communicated to anyone.

Department of State

1932 OCT - 4 - PM 12:27

Washington,

October 4, 1932.

AMLEGATION,

DEPARTMENT OF STATE
 DIVISION OF
 PEIPING (China) RELATIONS & RECORDS

CONFIDENTIAL

Your 1148, September 28, 10 a.m.

One. Department deduces from this telegram that you, your French colleague and the British Chargé feel that it would not repeat not be practicable for the powers to plan to propose, if and when hostilities become imminent, neutralization of Peiping and environs, your collective view being that the Japanese Government would not repeat not assent.

Department desires your reasoning in relation to the conclusion that QUOTE the Japanese would be loath to enter into a discussion of an arrangement for neutralization of Peiping etc. UNQUOTE.

Two. Department also deduces that you feel that the only possible measure worth considering is that of approaching both Chinese and Japanese Governments, if and when hostilities become imminent, emphasizing the rights and interests of the diplomatic quarter.

In that connection, Department inquires what is the implied antecedent of QUOTE we UNQUOTE in the concluding

Enciphered by

Sent by operator M.,, 19.....

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1929 1-138

Return to FF
 1-138
 TO BE TRANSMITTED
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 NONCONFIDENTIAL CODE
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793.94/5573

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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TELEGRAM SENT

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 NONCONFIDENTIAL CODE
 PLAIN

Department of State

- 2 -

Washington,

paragraph (D) of your telegram under reference.

Three. Reverting to the Department's view that the idea of proposing neutralization of the Peiping area has merit, Department desires: (a) your estimate with regard to the probable reaction of the Chinese authorities to such a proposal, if made; (b) that, upon the arrival of Neville, who will visit Peiping shortly, you get his estimate of the probable Japanese reaction; and (c) that as soon as you have both estimates you report to the Department.

In this connection, Department would point out that there are ^{various} ~~great many~~ factors other than that of military advantage or disadvantage which would ^{must} ~~have~~ to be taken into consideration both by the Chinese and by the Japanese in the process of their deciding whether to accept or to reject such a proposal if made. Department desires that in making your estimate you give such factors comprehensive consideration.

793.94/5573

FE:SKH/ZMF

Enciphered by _____

Sent by operator _____ M., _____, 19____

Index Bu.—No. 50.

RECEIVED
 1952 OCT 4 - 4 PM 2:15
 DEPARTMENT OF STATE
 DIVISION OF RECORDS
 COMMUNICATIONS SECTION

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

DOCUMENT FILE

NOTE

SEE .842.00 P.R./40..... FOR desp. #1040

FROM Canada..... (Boal.....) DATED Sept. 23, 1932
TO..... NAME..... 1-1127.....

* REGARDING: Wrecking and looting of a passenger train
near Harbin by Chinese bandits. Press comment
on matter brings out the fact that there is a
doubt concerning Japan's ability to compel
the Chinese to keep the peace. Excerpts
from press quoted.

5574

793.94/5574

fc

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

The Liberal Toronto GLOBE of September 13th refers to the act of Chinese bandits in wrecking and looting a passenger train near Harbin. The chief importance of the episode, in the GLOBE's opinion, is its political significance, namely, that since the real justification for Japan's conquest of Manchuria is the failure of the Chinese authorities to keep the peace, the reports of this and similar outrages raise a doubt concerning Japan's ability to effect this end. Continuing, the GLOBE says that the best solution to the problem would be to give Japan a mandate to govern Manchuria "on a basis satisfactory to the Powers in general and to China in particular" - how such a solution could be made acceptable to China is not suggested - and concludes:

"It is safe to say that if Japan attempts to retain control by virtue of military force alone the general situation in the Far East will grow worse and worse with the passing years. Vast tracts of China are now under control of the Reds. Old-style annexation of Manchuria would tend to throw all China into the arms of Moscow.

"Japan has recently openly declared her intention of setting up in Manchuria a buffer State against Russian communism. If the buffer State is set up in the right way, all well and good. But attempts to set up a buffer State on a basis unjust to China will defeat their own purpose in the end. Neither Japan nor the world will benefit if the net effect of the Japanese move in Manchuria is to give the Soviet control over China proper."

The actual recognition of Manchukuo by the Japanese government is opposed generally by the Liberal press in Canada which is less perturbed over the hurting of Chinese sensibilities than over the fact that Japan's attitude may lead to serious trouble with the United States and other powers. The Liberal Ottawa CITIZEN states that Japan's

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Manchurian policy, culminating in the recognition of Manchukuo, does more to shake public confidence in the value of treaties as bulwarks of peace than anything accomplished by armed force since 1918. It refers to the announced policy of the United States regarding the recognition of agreements reached through force of arms and concludes:

"In short, while Japan is declaring to the world that the new state of Manchukuo has been established with a military alliance, the United States has plainly declared that no official recognition will be given to any such state. Of course, there need be no war over this conflict of interests in Manchuria, nor will there be so long as the United States is willing to accept Japan's conquest with nothing more than an official protest against it. Seeds of war are sown, however, in just such moves as Japan is making to get ahead of other foreign interests in the economic warfare for markets and resources across the Pacific ocean."

The Liberal Winnipeg FREE PRESS has this to say on the subject:

"By acknowledging the new State of Manchukuo prior to the appearance of the Lytton Report, the Japanese have entrenched themselves in their Manchurian policy, and whatever recommendations the report may make, Japan has committed herself to a 'forward' attitude in regard to China. The Japanese Government has put itself in the place where it may have to choose between the League of Nations and the patriotic fervor of its own people, and as to the choice it would make its actions leave little room for doubt. Japan's line of conduct since last year has indicated pretty clearly that Western opinion does not weigh very heavily in the decisions she is making regarding her future in Manchuria, and her attitude towards China. The sole check on aggressive expansion is in the Peace Covenants, and this check Japan has steadily disregarded, having apparently decided to pay whatever price pursuit of her own imperial aspirations may demand."

The Conservative press is more inclined to take the practical view that if Japan wishes to carry on its policy of aggression and no other power is willing to oppose this

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 Department of State letter, August 10, 1972
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policy by force, it is wiser to accept the inevitable than to put faith in treaties and the League of Nations. In the words of the Montreal GAZETTE:

"So far as practical considerations are concerned it does not seem to matter whether the gentlemen at Geneva choose a policy of aggressive disapproval or one of so-called masterly inactivity; Japan is evidently quite determined to play a strong hand in Manchukuo, whatever the consequences may be, or whatever the hopes of an impotent League of Nations may be."

The GAZETTE outlines the terms of the treaty between Japan and Manchukuo and concludes:

"Such is the Japanese case, and it is plausible; whether so or not, it suffices for Japan, suffices presumably, for Manchukuo, and whether it does or does not suffice for the League of Nations seems to be a question of very little practical importance."

In an editorial dated September 23rd and entitled "Has Japan Traded France for Russia", the Conservative Montreal STAR comments on the recent conversations held by Senator Reed and Ambassador Edge with the French Government. It expresses the opinion that these conversations point to a concerted effort on the part of the United States to win the support of France in regard to its Far Eastern policy, possibly in return for some concession on war debts or support of the French attitude towards Germany's armament demands. On the other side of the picture, the STAR mentions the apparently increasing friendliness between Japan and Russia and the latter's intention of recognizing Manchukuo as signs of Japan's desire to trade French support for that of the Soviet Government. The editorial concludes:

"Russia and France are natural opposites in

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the diplomatic dance. It would be a miracle for Japan to get them both behind her. If she must choose - and if she has the option on either one - she would naturally choose Russia. But the question will immediately arise:- Will Russia continue to support Japan in any extension of her Asiatic adventures, even if she deems it profitable to support her just now? Russian and Japanese ambitions would appear to conflict, both in Mongolia and in China. France, on the other hand, has nothing at stake, except trade, nearer than Cochin-China. So for a long journey, France might easily be the better companion.

"The United States, in so far as she has a serious foreign policy, would naturally seek to win away from Japan every possible ally. She has a lot to offer France - far more than Japan has - and it is quite likely that unofficial efforts might be made to tempt the French into the American orbit. Great Britain would be by far the most valuable friend in Eastern Asia, but Great Britain also has many interests there which would prevent her from taking sides easily. Russia would appear to be what the Americans would call their 'best bet.' But it is entirely possible that the rooted disinclination of Washington to 'recognize' Russia may have blinded the never-too-keen eyes of American statesmanship to this obvious opportunity. They may have worn away the patience of Moscow just at the time when the astute Japanese were making overtures.

"The Russians, we imagine, will not be foolish enough to depend upon Japanese support in Europe. Neither will the Germans. But if Pacific Ocean politics make it profitable for the Japanese to maintain a mutual pact of non-intervention against each other with the Russians, obviously the Russians would feel much freer to take an active part in European politics - say, by joining Italy in support of the German claim to equality in armaments. Thus there may be many and far-reaching repercussions from this new movement in the great square dance of the Powers. Its future steps will be well worth watching."

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DOCUMENT FILE

NOTE

SEE 894.00-P.R./57 FOR #111

FROM Japan (Grew) DATED Sept. 1, 1932
~~xxx~~ NAME 1-1127

REGARDING: Japanese military activities against Chang's army in
 Jehol; and Japanese relations with Nanking and Shanghai.

5575

793.94/5575

dew

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(c) Military Activities against Chang's Army in
Jehol.

On August 5 the Japanese War Office spokesman gave a statement to the vernacular newspapers describing in detail the alleged organization created by Chang Hsueh Liang for the molestation of Manchuria and the steps taken by him for the defense of Jehol.* The spokesman stated that the arrangements

* Embassy's telegram No. 205, August 5, 4 p.m.

1885

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During the entire month there have been reports of approaching trouble at Shanghai. The Japanese Government departments have all insisted that Japan does not want to send troops to Shanghai again and it is quite obvious that she has enough to keep her occupied in Manchuria. However, the Japanese residents in Shanghai are evidently nervous and appear to fear the effects of further agitation among the Chinese for a boycott. As a result of the Shanghai armistice agreement Japanese trade with China returned almost to normal in March and continued so through July.* In August there appeared a slight slump, the cause of which is not clear. It is significant that the decline in trade coincided with the revival of the talk of trouble at Shanghai. Under date of August 27 the NICHU NICHU carried an editorial attacking the Blood Soul Society which attacks Japanese traders in Shanghai and criticizing the attitude of the Chinese Government toward these manifestations of anti-Japanism. It is stated that if it is shown that the Chinese Government is unable to deal with them then Japan will be forced to conclude that there is no Government in China and will take whatever steps she thinks best for the protection of her subjects in the region affected by the agitators.

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arrangements made by Chang are similar to those made last autumn to threaten the South Manchuria Railway and that if Chang and his party repeat their plots there will be serious results. The statement closes with the threat that if Chang carries out his plans he will be "digging his own grave".

Several days later reports of Chang's resignation appeared in the press. On the twenty-first, though Chang appeared to be well established in North China, the Japanese War Office spokesman insisted that he would soon "take a vacation trip" and reports arrived of the outbreak of hostilities in Jehol between the Japanese troops and the forces of Marshal Chang. On the twenty-fifth a press ban had been placed upon the publication in Japan of any news concerning Japanese military activities in Jehol*. The question is "Will the Japanese Army go to Peiping to destroy Marshal Chang's authority?"

(f) Japanese Relations with Nanking and Shanghai.

In the realm of Japanese relations with the Chinese Government at Nanking the month of August commenced with a monetary dispute. There had been intimations that China would not pay Japan her share of the Boxer indemnity and a spokesman for the Tokyo Government threatened that in retaliation for Chinese interference with Japanese interests the latter might seize the Chinese customs revenue at Tsingtao or Tientsin, send another expeditionary force to Shanghai, and/or carry on further aerial bombing operations in Jehol. However, this crisis was passed by the payment of the Boxer money to Japan.

During

* Embassy's telegram No. 219, August 25,

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DOCUMENT FILE

NOTE

SEE 893.00/12162 FOR Despatch #183

FROM Tientsin (Atcheson) DATED Aug. 23, 1932.

TO

NAME

1-1127

GPO

5576

793.94/5576

REGARDING: Situation in North China: Copies of Tientsin's
 despatch #243, dated Aug. 23, 1932, to Legation
 at Peiping, entitled --.

fpg

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No. 185.

AMERICAN CONSULATE GENERAL,

Tientsin, China, August 23, 1932.

SUBJECT: The Situation in North China.

THE HONORABLE

CONFIDENTIAL

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to enclose, in quintuplicate,
copies of my despatch to the Legation, No. 243 of
identic date, in regard to the situation in North
China.


Respectfully yours,

George Atcheson, Jr.,
American Consul.

Enclosure:
To Legation, August 23, 1932.

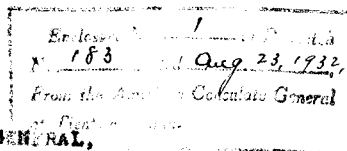
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Original and four copies to the Department.



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No. 243.



AMERICAN CONSULATE GENERAL,

Tientsin, China, August 23, 1932.

CONFIDENTIAL

Subject: The Situation in North China.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping, China.

Sir:

I have the honor to refer to my despatch No. 239 of August 16, in regard to the situation in North China. Since the writing of that report developments of interest have occurred with respect to the resignation of Marshal Chang Hsueh-liang from his political and military posts, and the Japanese troops outside the wall have taken further hostile action in the Province of Jehol. The Young Marshal still remains in Peiping, although his resignation has been formally accepted and the appointment of a committee to take over his duties have been announced, but information has reached me through certain very confidential channels that at the present he is still adamant in a determination to leave the former capital and is making definite plans to go abroad.

Local

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Local opinion is divided on the questions which arise from the renewal of military operations by the Japanese in Jehol. They themselves deny that there has occurred anything but an isolated adventure in connection with attempts to obtain the release of Ishimoto. Some intramural action on their part has, however, long been presaged in the Japanese propaganda services, the elimination of Marshal Chang Hsueh-liang was brought about by circumstances which may lead to a change from the policy of non-resistance, and it is becoming increasingly difficult to suppress a feeling that the Japanese have definitely decided upon the inclusion of Jehol in Manchoukuo to be effected in the not too distant future.

THE RESIGNATION OF MARSHAL CHANG HSUEH-LIANG

The foreign press on August 16 announced that the Standing Committee of the Central Executive Committee in Nanking had on the morning of August 15 officially accepted the resignation of the Young Marshal as Pacification Commissioner of the Peiping Area and that this post was abolished and superseded by a military committee to be constituted as a branch of the Military Council at the capital.⁽¹⁾ General

Yu

1. The names of the members, which had been released to the press as those of probable appointees,

were

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Yu Hsueh-chung was on August 17 appointed Chairman of Hopei Province, exchanging posts with General Tang Shu-ch'ang, and General Sung Che-yuan was named Chairman of the Province of Chahar. These three appointments appear to work a considerable diminution of Fengtien party power in this area; Yu Hsueh-chung is an old Chihli Party man, a former adherent of Marshal Ku P'ei-fu; Sung Che-yuan is a former Kuomintang commander with a force whose number has been given variously as 70,000 or 10,000, the latter figure being in my opinion more correct. Both Yu and Sung are among those named on the new Military Committee of eighteen which includes no Shansi generals except Sheng Chen who at present is scarcely to be reckoned as a member of the Shansi party. Some fifty-seven Northern generals subsequently joined in urging the Young Marshal to remain in office, threatening otherwise to resign with him. This announcement was made on August 17 by a telegram addressed both to the Young Marshal and to the Central Government at Nanking; its signatories included Sheng Chen, T'ang Yu-lin and Sung Che-yuan, but no Shansi commanders. (2)

were given in Despatch No. 238, August 16, Footnote 14, page 24.

2. The Consulate General's interpreter, Mr. F. J. C. Liu, makes the following comment on this situation which is illustrative of the local Chinese point

of

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Meanwhile the substitution of control has

proceeded

of view:

"Northern General's Joint Telegram. The northern generals, especially those of the Northeastern Army, were greatly dissatisfied with the resolutions adopted by the Central Political Council accepting the resignation of Chang Hsueh-liang from the post of Peiping Pacification Commissioner but rejecting that submitted by Wang Ching-wei. The Northeastern generals above the rank of brigade commanders were greatly excited when the news reached Peiping and the situation was at one time exceedingly tense. A number of conferences were held and had it not been for the efforts of Marshal Chang in persuading them to keep their temper a revolt against Nanking would have been raised at once.

"It is to be noted that the message does not include the names of any Shansi generals, except General Shang Chen who has not been recognized as a member of the Shansi party since he was relieved from the Shansi Chairmanship in favor of General Hsu Yung-ch'ang, for the following three reasons:

1. Although Marshal Chang Hsueh-liang is generally known as the commander-in-chief of North China, his jurisdiction extends only over the provinces of Hopei, Shansi and Jehol. General Han Fu-ch'ang has on many occasions affirmed his adherence to the Central Government only and his participation in the recent military conference was at the personal invitation of Marshal Chang. For Shansi and Suiyuan there is a Pacification Commissioner in the person of Marshal Yen Hsi-shan, who has always been recognized as their chieftain by Shansi generals even when he was not in power.
2. Marshal Yen has close connections with Wang Ching-wei and has been in sympathy with him, particularly since the Enlarged Plenary Session of the Kuomintang held in Peiping two years ago.
3. The Shansi generals are not satisfied with the Young Marshal, because, in the first place, the attack made by Fengtien troops upon Shansi is still in their minds and secondly, although

Marshal

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proceeded smoothly and, as expected, no untoward

events

Marshal Cheng has repeatedly promised to give them financial support, he has failed to keep this promise and the Shensi troops have to look to the Nanking Government to pay their military expenses.

"Transfer of General Wang Shu-ch'ang to Peiping.
 The transfer of General Wang Shu-ch'ang to the post of Garrison Commander for Peiping and Tientsin and the dismissal of General Liu Yi-fei from the Chairmanship of Chahar in favor of General Yu Hsueh-chung and Sung Che-yuan indicate that the Central Government is trying to lessen the strength and power of Chang's adherents, in compliance with the proposals suggested by Wang Ching-wei in his circular message. These posts cannot entirely be given to non-Fengtien men in order to avoid a possible revolt and the Nanking Government is considered to be wise in appointing a former Kuomintang man to one post and a Fengtien-Chihli man to the other. General Yu Hsueh-chung has considerable power and influence in this province in the region near Peiping and along the Peiping-Hankow Railway, while General Sung Che-yuan has a force of about 10,000 strong all told. General T'ang Yu-lin of Jehol, who although is also a Fengtien man, cannot be replaced at present due to his special position.

"Wang Ching-wei's resignation. The news of Wang's resignation was received in Peiping several days prior to the release of his telegram on the 6th and General Mi Sh'un-lin was deputed to Nanking at once by Marshal Cheng to explain to him and other government leaders that the Marshal is prepared to take the first defense line in the war with the bogus Manchoukuo and/or the Japanese if he is sufficiently backed up by troops of the Central Government. General Mi arrived in Nanking early this month on the 5th made an appointment to see Wang the next day. Wang, however, left for Shanghai on the following day without seeing Chang's deputy.

"It was really the intention of Wang to return to his post when Cheng was forced out and had it not been due to the message of the fifty-seven generals he would have consented to the numerous appeals and would have resumed the premiership. Although he is now willing to return to his post and not allow General Chiang Kai-shek to regain his power, he is reluctant to do so until the northern generals have quieted down."

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(3)
 events have accompanied it. The possibility,
 envisaged for a time in press despatches from Nanking,

that

3. "Much Ado and Little Change" is the descriptive title of an editorial in the August 18th issue of the PEKING AND TIENTSIN TIMES, meaning, of course, little outward change. The editorial (by W. V. Pennell who is more liberal minded and imaginative than Goodhead, the former editor, and still maintains a loyalty to facts) follows:

"In a despatch we received on Tuesday (August 18th) the Nippon Jempo pointed out that there was no precedent in Chinese history for a great warlord like Chang Hsueh-liang giving up his power without bloodshed, and added that, however much he deserved it, the end of his political career is piteous. We do not think that people who are able to retain some sense of sportsmanship will share that view altogether. They may realize that a certain amount of virtue has been made of necessity, and that but for 'the enemy at the gates' the challenge of the Kuomintang leader would undoubtedly have received a different response.

"Civil war in the North would only have precipitated intervention inside the Wall and rendered it all useless--and far worse than useless, for it would have shattered the Chinese case at Geneva. And perhaps the preaching of contentment to harassed and worried subordinates, anxious for their future, by one who inherited great power and wealth, and whose cares of office have been so burdensome that they may well be discarded as gracefully as the delights of a well-found leisure may be described, savours too much of the butterfly and the toad. Nevertheless, he could have refused to resign, and no Chinese force would have ventured to throw him out.

"There are things that may be said for the young Marshal, and among them must be placed, first and foremost, a strong sense of duty. It is this, coupled with a consciousness of his own shortcomings, which prompted him to resign. He knew only too well that if he stayed the Japanese would fulfil their threats to attack him.

"It is not without sympathy, therefore, that we look upon what appears to be his abdication. The human side cannot be ignored. It was a staggering shock to those of us who knew the buoyant, well-set-up, athletic young aide to his father in 1926, to meet him again in the 'Tiger Room' in his Mukden palace soon

after

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that Mr. Song Ching-wai might be persuaded to retain his office, and later the probability that Mr. T. V. Soong would temporarily replace him pending further

conversations

after the ghastly murder of Yang Yu-ting and Chang Yin-hui in the early part of 1929.

"The years between had been filled with disaster. It was during the disastrous campaign of the Fengtien forces in Honan that he first came to those crushing responsibilities of which he was never again to be relieved till now. A treacherous plot virtually destroyed the whole of the 10th Army. Bloody battles with the Kuomintang in which the Mukden forces suffered terrible losses, followed. During the retreat to Laotianfu the Red Spears tore up the rears, isolated the demoralized troops, and forced the Young Marshal to flee across country, knowing that the peasants were so enraged that any scattered groups of soldiery encountered were immediately butchered.

"Then came the awful assassination of his father, the desperate intrigues which made his own safety, whether in Mukden or among his own armies, a matter of hourly and prolonged doubt. The palace murder of the two most formidable associates of the old Marshal followed, which destroyed all initiative and acceptance of responsibility among the departmental heads of the administration, so that everything was thrust upon him, from the smallest details to the gravest issues, among which were the relations between Mukden and Nanking and Mukden and the Japanese.

"It was a profound mistake to have tried to evade responsibility by referring the Japanese to the Central Government. So much was clear then. It became still clearer in the catastrophe that followed. But it remains open to doubt whether even a strong man who knew when to yield, and yet not to yield too much, could have juggled with the thunders and lightnings which destiny was preparing in the minds and ambitions of a desperate and strong-willed neighbor. It was the policy of the Central Government which in the end determined the issue, and, if we mistake not, it was likewise the orders of the Central Government, communicated by the Generalissimo through Chiang Tso-pin during his hurried visit to Peiping during the Nakamura agitation, which led to the policy of non-resistance when the blow fell, just as the

policy

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conversations, tended to have a quieting effect on
the situation in the north. The great leaven was,
of

policy observed in Peiping since has been dictated
from General Headquarters.

"The manoeuvres of the Kuomintang to expose where responsibility, and power, really reside, may have been necessary for its own self-preservation or to vindicate the terms of the settlement whereby the Party leaders returned to Nanking a year ago. But the fact remains that Cheng Ching-wei's tactics were oblique and in the last analysis evasive. He did not hesitate to attack Chang Hsueh-liang, but he was afraid to strike at the roots of the trouble. Nor could he have done so while adhering to the policy of suppression of rebellion by force. There is confusion in the policy of the dual front. Chiang Kai-shek may be right or wrong, but there is logic in his argument that the internal front must first be secured before the challenge of others is taken up. It is, in this case, a matter of method only. Is unification more likely to be achieved by arrogant and aggressive force than by conciliation and coalition? We have already referred to the effect of the Shanghai clash upon the most important of the opposition elements. And we know the disastrous results that have ensued from five years of the policy of force.

"It may be, of course, that the politicians's blow at Chang Hsueh-liang is but the inauguration of a campaign designed to enforce the policy of resistance and of overthrowing those who oppose it. The Party will be forced to take that course or lose what little hold it still has upon the people.

"But there must be an end to confusion. China cannot fight on two fronts, she cannot resist while disunited. And there is only one way to effect a speedy reunification, a way that may entail just as much danger to the Party, and just as much readiness to subordinate its own pretensions to the interests of the nation, as were involved in the resolutions of the 1924 Congress at Canton."

"But nothing is more certain than that if the Kuomintang continues to place its own interests before

those

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of course, fear of Japanese action which for a long time has been envisaged in their bitter press attack upon the Young Marshal and his local regime.

Following

those of the nation it will be extinguished as completely as the Girondins. 'Resist, or yield' are the inexorable alternatives both on the internal and the external fronts. If the Government resists its domestic rivals it must inevitably surrender to Japan. If it would resist Japan it must yield to these evergrowing forces in the interior whose hearts and sinews have been hardened by the miseries and hardships of the border wildernesses. And do not the times demand the substitution of hard faces for soft hands, whether it is to China's internal anarchy, corruption, and disintegration that we look, or to the forces of Japan, driven to desperation by both her own domestic problems and the state of this country?

Meanwhile, in the North, for all the ado that has been made about it, there is little change. The Generalissimo may become the titular head of the Military Council, and will be directly represented in the Triumvirate which will rule in place of the Young Marshal. The Mukden influence remains in the appointment of Wan Fu-lin and Yung Chin, while Chiang Ho-ch'eng, the delegate of the Generalissimo, will communicate the latter's orders or advice. A few higher officials may be changed, and many of their subordinates will possibly be displaced. Otherwise the storm will pass with little change. Whether the transfer of authority will affect the Jehol situation is uncertain. It is a point on which events alone will throw trustworthy light. It is in this quarter that the alternatives of submission or resistance apply with immediate force.

"But armies must keep on marching, and the drums continue to sound, if the deadlock between China and Japan persists. A period of uneventfulness, of dull waiting, possibly of reflection and the doubts and dismays such may engender, would not help the crisis in Japan itself. The people, deprived of spectacular excitement from Manchuria and China, would become still more acutely aware of their own woes and clamour for the healing of them. In such a condition distraction is a psychological necessity, moreover, if it is a waiting game, a game of patience, who can play that better than the Chinese? There may be a brief period of calm, while Japan worries over the devastation which war, disease, and the inundation of the richest territory of North Manchuria have wrought. But though even now it is not too late to pause, reflect, and compromise, we do well to regard the outcome of the League Assembly with foreboding."

1907

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Following his resignation Marshal Chang Hsueh-liang announced an intention of proceeding abroad "for study" and various reports were current that he would undertake this plan in the near future, journeying first to France. Preparations for a new residence for him at the Summer Palace were stopped but were later resumed, following a request of Chiang Kai-shek that he abandon his plans. These preparations are still continuing although there have been no real indication that he has altered his decision to leave Peiping. Of various stories concerning his plans, I may mention one which has reached me today, in strict confidence, from a reliable foreign source which has some intimate connection with persons close to Chang Hsueh-liang. According to this informant, Chang's agents are making roundabout enquiries concerning possible steamship reservations for him and a party of thirty persons. They have, it is stated, enquired whether any difficulty would be caused aboard an American vessel if he took with him, for his personal use, some Y350,000 of narcotics which he is said to have purchased (in spite of his own and his country's position vis-a-vis Japan) from a Japanese source in Osaka. That this enquiry was made concerning an American vessel does not necessarily indicate an intention to visit the United States; my informant expressed the opinion that his plans contemplate a journey to Europe and that the enmity of the Japanese is sufficiently severe to make it unwise for him to remain in Peiping even as a private individual. In this connection

I MAY

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I may mention another report, for which there is no supporting evidence in my possession, that recently the Young Marshal's agents have been investing heavily on his behalf in American securities, presumably through an American bank in Peiping.

THE RESUMPTION OF HOSTILITIES IN JEHOL.

A month after their first military adventure⁽⁴⁾ in Jehol Province, Japanese troops, according to press reports from Chinese sources, began an attack on villages on the Jehol-Liaoning border. A Reuter despatch from Peiping, dated August 21, stated that the Japanese forces crossed the border the day before, under cover of armored trains and tanks, and made contact with the Chinese troops stationed at Nanling on the Chinchow-Peipiao railway and that a severe engagement occurred along an extensive front as far as Koupeiyingtze.

Fighting

4. Vide despatch No. 230, August 8, Monthly Political Review for July. Five or six Japanese planes bombed Chaoyang, according to reports, on the afternoon of July 18th, presumably in the way of reprisal for the alleged seizure by the Chinese military of a liaison officer of the Kwantung Army, one Ishimoto. The Japanese claimed that reconnoitering planes had been fired upon by the Chinese; this was denied by the latter and the only local evidence, such as it is, to support the contention is contained in an unsigned letter believed to have been written by a foreigner published in the

PEKING AND TIENTSIN TIMES:

"I have noticed various accounts of the trouble in Chaoyang. It may interest you to know what did take place. As reported on the 17th July a Japanese was taken from the Pei Piao train and then a fight of some

kind

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Fighting continued on August 22, according to Chinese official reports in Peiping as published in the press; (S) Japanese planes, it was stated, destroyed the Nanling station and a number of villages

and

kind took place at Chaoyangssu (Chao Yang Monastery) which place is on the railway near the boundary of Manchuria and Jehol.

"On the 18th July at about 6 a.m. a Japanese plane came over Chao Yang Hsien, which is 90 li from Pei Piao (Pei Piao is the end of the branch line from Chin Hsien). Evidently word had reached the military authorities here of the trouble at the border, for the street was full of cavalry and they foolishly fired at the plane with rifles as it went round and round.

"At 2 p.m. five planes came over and dropped bombs, aiming for the places where the military were, they could see the horses in the yards. In one place 20 horses were killed in all there were 11 people killed, 4 soldiers and the rest civilians and over 20 wounded and of course damage was done to property.

"Since then more planes have come over dropping leaflets, but no firing at them has taken place.

"After the planes had dropped their bombs they chased any soldiers in sight with their machine gun fire. It was very evident they were out for the soldiers and not other people.

5. Reuter from Peiping, August 22, giving a detailed account: "Official despatches received in Peiping state that the Japanese forces opened the attack in the region of Nanling with artillery and machine-guns. The engagement soon spread to Kowpei-yingtze and Lotoyingtze, both sides suffering casualties. Kowpeiingtze is situated southeast of Peipiao, terminal of the line which joins the main line at Shichow. Lotoyingtze is in the same region.

"During the engagement Japanese planes are reported to have carried out an extensive raid along the border of Jehol, dropping bombs and leaflets. A number of villages are stated to have been destroyed. The leaflets, it is stated, gave exaggerated accounts of internal dissension in China, warned the Volunteers to return home, and warned the inhabitants that anyone joining the irregulars would be killed without mercy. The Chinese messages add that the villagers are fleeing to places of safety.

According

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and leaflets dropped by aircraft over Chaoyang threatened an attack upon that city unless the Chinese forces there evacuated within three days. The Kuo Wen agency admitted, on the same day, that Nanling had been captured (6) and Reuters reported from Nanking that the Chinese forces had withdrawn from Koupeiyingtze.

The

"According to the Chinese version, Japanese planes later flew over the Chinese base at Nanling and dropped a number of bombs, destroying the railway station, the post office and other buildings. The despatches of one of the Chinese commanders speak of a Japanese armored train having occupied Nanling. Before retreating in order the better to concentrate, the Chinese forces had everything in readiness to destroy railway bridges and the track to prevent pursuit."

6. "The full text of the telegram sent by General T'ang Yu-lin, chairman of Jehol province, was published in the local Chinese papers today, revealing the fact that the Japanese troops started their advance into Jehol at 2 p.m. August 19, and that they have captured Nanling. The Chinese troops have withdrawn to Koupeiyingtze where they have their first line of defence.

"The telegram further states that during the clash at Nanling, eight Japanese soldiers were killed. The Chinese commander at Koupeiyingtze has sent an urgent request for reinforcements and ammunitions.

"Further messages from Chinwangtao report three Japanese airplanes flew over Chaoyang and dropped leaflets demanding that the Chinese troops there evacuate the city within three days. They threatened to use force to take the city if the Chinese would not comply with their demands. Other Japanese planes flew over Nanling dropping propaganda leaflets urging the volunteers to return to their homes, saying that the anti-Japanese movement of General Ma Chan-shan and Marshal Chang Hsueh-liang has been defeated and that the Central Government is in a state of confusion."

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The local Chinese authorities do not profess to have any real knowledge of these events and some Chinese circles are inclined to envisage in them the first (or second) steps of the long-expected investment of the province. The Japanese press services, usually so enlightening with their propaganda, are comparatively silent as if to minimise the hostilities and in general tend to connect the fighting with attempts to effect the release of Ishimoto. The Acting Japanese Consul General has informed me that the Chinese reports are gross exaggerations; he states that a party of thirty Japanese soldiers were proceeding toward Nanling as an escort to an aide-de-camp who had been sent to negotiate with the Chinese military concerning Ishimoto and, upon arrival at the place appointed for the discussion, discovered that a railway bridge before them had been so damaged by the Chinese forces as to be impassable. The Japanese demanded that it be repaired; this demand was in the process of being complied with when the Chinese troops beyond the bridge opened fire on the small Japanese contingent. The Japanese soldiers returned the fire, an armored car with about thirty more soldiers was subsequently despatched to their assistance from Chinchow, the Chinese were beaten back and Nanling was occupied temporarily. The Japanese Acting Consul General (Mr. Tomotsune Ohta who has just been

transferred

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transferred to Tientsin from Peiping where he was stationed as Secretary of Legation) was apparently unable to name the exact location of the bridge. Ni Hon Gampo reported from Hanking today (August 23) that the National Government had instructed the Military Council in Peiping not to release Mr. Ishimoto, and to defend Jehol at any cost. This report may or may not be significant. According to Reuter from Tokyo (despatch dated August 22), a Japanese War Office spokesman, "denying the reports that the Japanese have assumed an offensive in Jehol or are at the present time contemplating a large scale invasion stated that there had been a minor clash resulting in a pursuit of the Jehol troops and a brief occupation of Hanling, five miles north-west of Chaoyang, to which place the Japanese troops afterwards returned." The same spokesman denied that elpiac had been occupied but, the despatch went on to say, "According to other official quarters it is only a question of time before strong action is taken to make Jehol definitely a part of Manchoukuo, a Foreign Office spokesman intimating that the favourable autumn weather is likely to see determined action in Jehol for the purpose of ending the unsatisfactory

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unsatisfactory situation arising from Mr. Ishimoto's captivity and General T'ang Yu-lin's doubtful allegiance to Manchoukuo."

As mentioned in my previous despatches, there are cogent reasons to believe that the Japanese have come to a determination to include the province in question within the geographic boundaries of the puppet state. I venture the opinion, however, that while Chiang Kai-shek's policy of non-resistance hangs in the balance, the initiation of large scale operations in Jehol will probably await some further progress in the reconstruction of the Central Government, the departure of the League Commission and, possibly, the reaping of the kaoliang.

Respectfully yours,

George Atcheson, Jr.,
 American Consul.

800
 GA:W

Original and one copy to Legation.
 In quintuplicate to the Department.
 Copies to Consulates-General at
 Nanking, Shanghai, Hankow and Mukden.
 Copies to the Consulates at Dairen, Tsinan,
 Tsingtao and Chefoo.

A handwritten signature, possibly 'George Atcheson', with the number '21' written below it.

1900
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By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00-P.R./59 FOR #1671

FROM China (Johnson) DATED Aug. 17, 1932
NAME 1-1157 4 P 0

REGARDING: the Japanese threat to Jehol and the pacification of 5577
Manchuria.

dew

793.94/5577

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

- 2 -

I. SINO-JAPANESE RELATIONS

1. The Threat to Jehol and the Pacification of Manchuria.

Once again Japan has shown her indifference to world opinion by making an obnoxious display of force on the slightest provocation. On or about July 16th a Japanese liaison officer, Gonshiro Ishimoto, is reported to have disappeared in the neighborhood of Peipiao, having presumably been captured - and perhaps killed - by some Chinese forces under the control of General Tang Yu-lin, the Chairman or Governor of Jehol, who has so far refused to join the Manchukuo government. (Peipiao is a small town on a branch line of the Peiping-Mukden Railway which extends into Jehol between Chinchow and Chaoyang). The Japanese immediately attacked a body of Chinese irregulars in that vicinity and bombed the town of Chaoyang, killing many civilians and inflicting considerable damage to property. At the same time they accused Marshal Chang Hsueh-liang of having instigated the abduction of Ishimoto.

So much for the immediate pretext. But like the Nakamura incident of over a year ago it merely served to show that Japan was preparing a fresh move to consolidate her position on the continent. Had the pacification of Manchuria progressed more satisfactorily it would have come much sooner. For nobody doubted that Japan always considered Jehol as part of Manchuria and had no intention of leaving it to China. It is true that until 1927 Jehol was only a special administrative district carved out of the

old

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old province of Chihli, but on September 17th of that year it became a Province and has since then always been considered as the fourth of the Northeastern Provinces constituting Manchuria, the other three being Fengtien (Mukden), Kirin, and Heilungkiang.

It was therefore a foregone conclusion that Japan would sooner or later insist on rounding out the territory of Manchukuo by an effective occupation of Jehol. It has an area of about 63,000 square miles and a population of some four and a half millions. But its principal interest to Japan is a strategic one. Being the southwesternmost of the four Manchurian provinces it is wedged in between Fengtien and the Inner Mongolian province of Chahar, and thus controls all important passes leading south of the Great Wall into the Peiping-Tientsin area. (Peiping is only about 120 miles from Chengteh, the capital of Jehol). Japan fears that in the hands of hostile authorities this "neck" thrust into the western flank of Manchuria would always constitute a grave menace. And more especially so, Japan claims, as long as Marshal Chang Hsueh-liang is at the head of affairs in North China. In fact, ever since September, 1931, it has become increasingly evident that Japan would make every effort to eliminate the Young Marshal. The Japanese military pretend to believe that he might some day wish to reconquer Manchuria. "This tribute", caustically remarks a Chinese journalist, "to the Young Marshal's fighting spirit is unfortunately too good to be true He would be more than happy to be left in peace within his precarious domain. It would certainly

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certainly overtax one's imagination to believe that he would ever precipitate a fresh crisis to call for the rod which Japan never intends to spare".

On the other hand, it is probably quite true that there has been a slow but steady infiltration of Chinese armed volunteers through the passes into Jehol and thence into Manchuria, and it is also extremely likely that money, arms and munitions have through these channels found their way into the hands of various units of the "Self-Defence Army" (Tsu Wei-shun) which have been making trouble for the Japanese army of occupation. While this assistance from south of the Great Wall can hardly, for purely physical reasons, have been very substantial, it must be taken into consideration that the Japanese are exasperated by the unexpectedly prolonged resistance they have encountered, and would like to believe - and to have outsiders believe - that most of it is not due so much to local objections to Japanese rule as to Chinese and Soviet inspiration.

As a matter of fact, the opposition to Japan after ten months of "a sort of war" is still very widespread among all classes. Despite the continuous arrival of reinforcements - the Japanese army in Manchuria is now believed to number nearly 80,000 - the situation has not greatly improved. At first most of the opposition was met in the North, where General Ma Chan-shan enjoyed for some time comparative freedom of movement, and although not a man of outstanding character or ability he fired the imagination of the Chinese on both sides of the wall

enough

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enough to sustain the struggle.

The Japanese claim that in June and July all major concentrations of insurgents were dispersed and driven northwards, that General Ma himself has probably been killed - his body could not be identified - and that at no time were his troops permitted to effect a junction with other Chinese forces. But recent reports would seem to indicate that so-called volunteers (Yi Yung-shun) in the south and the bandits (Hunghutzu) in the east are still very actively engaged in guerilla operations which oblige the Japanese to remain widely scattered and to encircle an immense area. The country is now mostly waterlogged and such roads as exist flow with liquid mud. Even the large cavalry contingents which the Japanese have recently brought over find it difficult to hunt down small bands who escape into mountainous and wooded country and snipe their pursuers from flank and rear.

Even when the more or less irregular anti-Manchukuo forces have been suppressed, it will take a long time to rid the country of the bandits. They were notorious before the Young Marshal's father, Chang Tso-lin, crushed them with an iron hand, and they are now a greater menace than ever. At first the Japanese General Staff almost welcomed their re-appearance because it wished to prove its preconceived notions of the situation and the military requirements for holding bandits in check. It got a great deal more than it bargained for. Obviously, the complete disorganization which followed upon the elimination of Chinese authority and the disarming of large bodies of soldiers who were left leaderless encouraged banditry on a

large

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large scale, and even now some of the new Manchukuo forces are apt to take to banditry with their arms and equipment and to menace not only the helpless countryside, but the Japanese army as well.

Japan's immediate task of restoring peace and order in Manchuria will therefore require long-continued operations, irrespective of the ultimate solution of the political problem. If Japan decides to invade Jehol and Inner Mongolia, where she has no established interests, or - worse still - if she should be so forgetful of the lesson her recent Shanghai escapade taught her as to embark upon adventures in the Peiping-Tientsin area, she will be plunging deeper and deeper into a quagmire from which she may have neither the military nor economic strength to extricate herself. Her interests in Manchuria are admittedly of the highest importance, and some of them have been injured or threatened by Chinese action in violation of international treaties. But it does not follow that she must seek a settlement of her claims by occupying the whole of North China. To do that would so embitter her relations with the Chinese people and cause such deep resentment for years to come, that any advantages she may hope to gain would prove wholly illusory.

Up to the end of the period under review there had been no clear indication as to the measures the National Government of China proposed to take in the face of these new developments. Nanking did, of course, protest vigorously to the League of Nations and to Tokyo, and instructed Marshal Chang Hsueh-liang to assist General Tang Yu-lin

in defending

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in defending Jehol. And on July 23rd Mr. Wang Ching-wei, President of the Executive Yuan, issued the following statement:

"With the national crisis growing increasingly graver daily, it is earnestly hoped that all military and civil authorities will direct their subordinates to strive with one mind for the defence of the nation. They should also call upon the people to observe the law and order of the State, strengthen the national unity, and make various preparations for the attainment of the common objective, namely, resistance against the truculent aggressors and the preservation of our national territory."

The Young Marshal has moved a number of his brigades in the direction of the Jehol border, but he claims that without financial support from the Central Government he cannot undertake any large-scale operations. He also fears that a more aggressive attitude might drive Tang Yu-lin into the arms of Japan and actually invite a Japanese attack south of the Wall.

In the meantime Japan's decision to sever all visible bonds which united Manchuria with China has already resulted in the creation of separate Manchukuo Customs and Postal Administrations. Manchukuo has been issuing its own postage stamps since July 25th, and China has retaliated by refusing not only to accept mail from Manchuria, but also all European mail routed via Siberia, and by refusing to despatch mail to Manchuria and points beyond.

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

Handwritten: 26 DCR
Handwritten: ~~FE~~
Handwritten: FEH

September 24, 1932.

SECRETARY OF STATE
SEP 26 1932

MANCHURIA SITUATION

Japanese Legation Guard at Peiping

CONFIDENTIAL

In a personal letter from Minister Johnson, dated Peiping August 30, I have the following:

DEPARTMENT OF STATE
RECEIVED
SEP 1 1932
DIVISION OF
COMMUNICATIONS AND RECORDS

Handwritten: 793.94
Handwritten: with Peiping
Handwritten: 893 102

"The local situation is quiet, but I believe that we will again have the question of Peking and the status of the Japanese Legation Guard on our hands as fall comes on, unless the situation changes considerably. We will consult together and do what we can, but the point that I am trying to get across is that the Japanese Legation Guard here is not going to be amenable to Japanese civilian control,- the only control that we can deal with. Our only possible way of dealing with this situation, it seems to me, is for the Powers - when the time comes - to get at the source of power in Tokyo and get it to agree to do something.

Handwritten: FE concerns and that is the line on which we are proceeding - preparing the way for representations at Tokyo if + then such action seems called for.

"The Japanese soldiers are truculent, unreasonable, and the Japanese method of training seems to demand that they run all over this place with fixed bayonets, shouting, both outside and inside of the Quarter, generally making great nuisances

DEC 1 1932

FILED

F/G 793.94/5578

Confidential File

Handwritten: Sent

0918

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

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nuisances of themselves. The other night they trooped all over the private lawn and court yard of Captain Thomason of our Guard and hid among his bushes, shouting as they rushed here and there, until his servants were scared out of a month's growth. A couple of days ago the sentry in front of the Japanese Legation forced two of the British soldiers off the side walk where they had a perfect right to be walking. The British Commandant attempting to call upon the Japanese Commandant had his ricksha ejected from the compound and was told that callers had to report at their Guard House.

"The trouble lies in Tokyo."

SKH

FE:SKH/ZMF

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

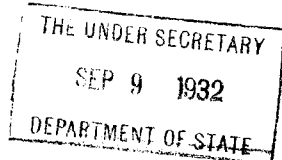
September 9, 1932.

Mr. Castle:

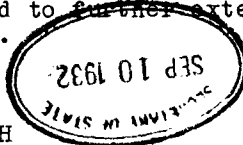
In connection with your memorandum of conversation with the Italian Ambassador of September 7 and his inquiry whether an advance by the Japanese on Jehol would not raise the question of the neutralization of Peiping, --

I attach a memorandum on the subject of indications of impending extension of the field of combat operations -- in the concluding paragraph of which I suggest that we come to a conclusion in advance with regard to the question of proposing that, if Peiping becomes threatened, the city of Peiping and an area there-around be constituted a neutralized area.

I also attach certain other papers relating to discussions which have taken place in regard to this possibility; also, certain telegrams which throw light on the question of what may be the intentions of the Japanese military with regard to further extension of their operations.



SKH



See my note
position HVR

FE:SKH/ZMF

1921

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

THE AMERICAN GROUP
OF THE CHINA CONSORTIUM

MANAGING COMMITTEE

J. P. MORGAN & CO., NEW YORK
KUNN, LOEB & CO., NEW YORK
NATIONAL CITY BANK OF NEW YORK
GUARANTY TRUST COMPANY OF NEW YORK
CHASE NATIONAL BANK, NEW YORK
LEE, HIGGINSON & CO., NEW YORK
CONTINENTAL ILLINOIS BANK AND
TRUST COMPANY, CHICAGO



23 WALL STREET, NEW YORK
July 11, 1932

*Refer to 74
for summary
13 pages
H.C.*

OCT 1 1932
DIVISION OF

Hon. Henry L. Stimson,
Secretary of State,
Washington, D.C.

BANKERS TRUST COMPANY
CENTRAL HANOVER BANK AND TRUST COMPANY
HARRIS, FORBES AND COMPANY
BROWN BROTHERS AND COMPANY
HAYDEN, STONE & CO.
BANCAMERICA-BLAIR CORPORATION

Dear Mr. Secretary:

BOSTON
KIDDER, PEABODY AND CO.
FIRST NATIONAL BANK
NATIONAL SHAWMUT BANK

CHICAGO
FIRST UNION TRUST AND SAVINGS BANK
NORTHERN TRUST COMPANY
HARRIS TRUST AND SAVINGS BANK
HALSEY, STUART AND CO., INC.

PHILADELPHIA
GIRARD TRUST CO.
THE PENNSYLVANIA COMPANY

PITTSBURGH
MELLON NATIONAL BANK
UNION TRUST COMPANY

ST. LOUIS
MERCANTILE COMMERCE BANK AND TRUST CO.
MISSISSIPPI VALLEY TRUST COMPANY
ST. LOUIS UNION TRUST CO.

NEW ORLEANS
WHITNEY NATIONAL BANK

SAN FRANCISCO
ANGLO & LONDON PARIS NATIONAL BANK
BANK OF CALIFORNIA, N. A.
WELLS FARGO BANK AND UNION TRUST CO.

LOS ANGELES
SECURITY-FIRST NATIONAL BANK

PORTLAND
FIRST NATIONAL BANK
UNITED STATES NATIONAL BANK

SEATTLE
FIRST SEATTLE DEXTER-THORNTON NATIONAL BANK

Copy sent to Peiping
Ad
Division of
FAR EASTERN AFFAIRS
JUL 13 1932
Department of State
Letter to
Shaw-W. L. Grant

I attach herewith a suggestion made to me, just before I left London, by Sir Charles Addis of the Hongkong & Shanghai Banking Corporation, Sir Charles being Chairman of the British Group in the Chinese Consortium. If you get time to read through Sir Charles' memorandum (a copy of my acknowledgment of which I attach), you will note that his idea is to encourage China to make a start in the right direction, financially and economically, by inviting a committee of the League of Nations to set up a plan for her. The present committee under Lord Lytton is of course, as I understand it, a purely investigating and fact-finding body. Any fresh committee which the League might be invited to constitute would presumably have as its function the devising of some sort of a constructive plan in the same way that similar League committees devised re-constructive plans for Austria and Hungary in 1923 and 1924. It has been due to circumstances, rather than to any defect in the plans of those League committees, that have led to the present difficulties in Austria and Hungary.

Sir Charles is right in stating that the communications question, particularly the railroads, is something that might be tangibly gotten hold of in China. As I have told him, I am not fully converted to his idea, but I think it worth careful thought. I intended to forward his memorandum to you at Geneva, but received it just too late to catch you there. Since my return other matters of more pressing importance have intervened. I have not stirred up Sir Charles, to ascertain whether he discussed the matter recently with his foreign office people or not. Perhaps the head of your Division of Far Eastern Affairs would be interested to look over these general matters.

Respectfully yours,

W. L. Grant

Enclosures

F/HS

793.94/5579

FILED
JUL 18 1932

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

29th April 1932.

My dear Addis,

I am grateful for your letter of April 28th which is full of interest to me. I had it in mind, as you know, to communicate with our Secretary of State, Mr. Stimson, at Geneva, but you will have noted by the Press this morning that he is leaving Geneva to-day for America via the Mediterranean. Therefore it will be best for me to delay the matter until my return to America myself when I shall aim to see him in Washington.

Meanwhile, you will not hesitate to advance the same idea to your own people here. The reason that I shall discuss the matter freely with Mr. Stimson is, among other things, that he is so predisposed to co-operation with the League of Nations. I am not certain as yet that I myself am completely "sold" to your idea, but it grows upon me.

Thanking you again for your letter and also for my charming luncheon yesterday,

I am,

T.M.

Sir Charles Addis, K.C.M.G.,
9, Gracechurch Street.
E.C.3.

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

9 Gracechurch Street, London. E.C.3.

April 28, 1932.

My dear Lamont,

I believe the Japanese are sick by this time of their adventure in China and would be glad to withdraw from it, if they could do so without loss of face.

An opportunity will occur after the Lytton Commission has presented its Report, but there is a danger that the removal of the legitimate grievances of Japan may be made the ground of a claim for something in the nature of a Japanese Mandate for Manchuria.

I accept the Japanese assurances that they cherish no territorial or political ambitions, but, unless she is in a position effectively to colonise Manchuria with her own people it is inevitable that political preference must gradually pass into political domination.

Now it is certain that Japan cannot colonise Manchuria, (cf. her experience in Korea, etc.) and, without the consent of a virile Chinese population, still increasing at the rate of a million a year, the security which Japan demands for her commerce could only be maintained by reducing Manchuria to the condition of a vassal state.

I do not think the tenacity of national feeling in Modern China is sufficiently appreciated or the prolonged resistance which might be expected to any attempt to separate the Three Eastern Provinces of Manchuria from the parent body. There could be no continuing peace, and it would be unfortunate in the highest degree if the natural desire for an immediate settlement should blind our eyes to the danger of sowing with it the seeds of future discord and disorder.

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

2.

Nor do I question the Japanese assurances with regard to their intention to maintain the Open Door in Manchuria, although I have my doubts whether the phrase is always interpreted in the same sense by the Japanese and ourselves. It would in my judgement be hopeless to expect "equal opportunity" for our trade in Manchuria under a Japanese régime.

The matter is of the first importance because Manchuria with its vast unpopulated, or only sparsely populated, areas, its enormous undeveloped resources, mineral, agricultural and forestal, offers one of the few remaining fields left open in the world for the development of international trade.

What then must be done if we are to preserve our contingent interest in the potential purchasing power of the 30 millions of Chinese in Manchuria, not to speak of the 400 odd millions in the remaining provinces?

The main lines of our present policy in China are to be found in the Treaties and Resolutions signed at Washington in 1922, and implemented, so far as finance is concerned, by the China Consortium Agreement. These treaties and resolutions may be summarised by saying that the Powers (other than China) gave two pledges: (i) to respect the political and administrative integrity of China, and (ii) to afford the Chinese Republic a free opportunity to develop its newly established method of government and to maintain peace and good order.

It is implied in the statements made at Washington by the Representatives of the Powers other than China that this is within the limits of possibility, namely, that it is within the power of the Chinese to work out their own salvation by themselves.

It must be admitted that, so far, at any rate, the results have proved disappointing, and there may be something in the

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

3.

Japanese contention that sufficient time has now elapsed, and that Chinese statesmanship has shown itself powerless to provide the authority required to establish a stable government, and that the Treaties must accordingly be applied with due regard to the state of affairs from time to time prevailing in that country.

It may be argued therefore that, since the remedy has proved ineffective, the policy inaugurated by Mr Hughes and Mr Hay at Washington in 1922 now stands in need of revision. It may no longer be safe to leave China alone to work out her own salvation. Active assistance may be required from outside.

There are obvious political objections to an offer of assistance being made by any single Power or group of Powers, and it would appear that the required assistance can only be made available on a collective, and not on a separate or independent basis. Any offer of assistance by a single Power or group of Powers would amount not to a revision, but to a reversal of the Washington policy.

If, however, the required assistance could be made available by the Treaty Powers (a) at the request of China, and (b) within the framework of the League of Nations, it would appear to be not incompatible with the spirit of Washington.

Not only has China already made application to the League for advice in finance, public health, and other matters, but she has also during the past few months had more urgent occasion to become acquainted with the method and resources of the League. I do not believe there would be any great difficulty in inducing her to apply to the Economic Committee of the League for the services of a Commissioner General on the lines adopted with regard to certain of the nations of Central Europe.

4.

The inducement to make application to the Economic Committee is likely to appear the more cogent to the Chinese Government because, unless they are prepared to accept this assistance, they may consider whether in the alternative they might not have to reconcile themselves to the loss of Manchuria, and possibly to other losses.

It is suggested that the Economic Committee of the League should operate through a Commissioner General for China with previous experience of such work, plus an international staff, on the lines familiar in the reconstruction of Europe. A start might be made with the railways. There is no doubt that the development of communications would do more to enhance the authority and prestige of the recognised Government of China than anything else. All reconstructive work would soon pay for itself and create fresh credit. Manchuria would of course fall within the zone of the Commissioner-General, but he would no doubt use a considerable proportion of Japanese personnel there, the distribution of a due proportion of non-Japanese personnel in Manchuria, and of Japanese personnel in the provinces south of the Great Wall, forming part of a League policy of distributed responsibility.

There is no need to wait for the Lytton Commission's Report before starting action along these lines. We know the main facts; the Lytton Commission will only formulate them. The Report will merely provide the basis for a formal offer to China of a Plan to which the Powers (including, let us hope, Japan) have already agreed.

I repeat, Japan has certain grievances and they must be removed. China alone cannot remove them; she must be helped. The neglect of China in her present trouble would be full of risks. Her relations with the West, on which our trade depends, hang in the balance.

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

5.

An offer of help would involve no risk. The method and measure of help would be a matter of negotiation. League help, if properly handled, would ensure a measure of peace and of security for life and property in China, and open the way to a development of international trade of which a distracted world is in sore need.

Yours sincerely,

bs Radis

092

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

AUG 11 1932

MEMORANDUM

RECEIVED

OCT 1 1932

QUESTION OF "ASSISTANCE" TO CHINA.

DIVISION OF

COMMUNICATIONS

Letters of -

Sir Charles Addis to Mr. Thomas Lamont, April 28, 1932
Mr. Thomas Lamont to the Secretary of State, July 11

*Copy sent to Beijing
Oct. 12
File
F/HS*

In his letter of April 28 to Mr. Lamont, Sir Charles Addis develops the suggestion of a plan for "assistance" by the powers to China.

In considering what Sir Charles says in this connection, certain facts should be kept in mind: Sir Charles was writing at a time when recent developments at Shanghai were vividly in the minds of those who give serious thought to problems in the Far East. Sir Charles is an Englishman, was for some thirty years engaged in banking in the Far East, became head of the Hong Kong and Shanghai Banking Corporation, has been a leading figure in the activities of the China Consortium, and is a member of the group which, by virtue of the close cooperation between the British Foreign Office and British commercial and industrial leaders, gives direction to British foreign policy.

Sir Charles begins his letter with certain statements of fact and expressions of opinions with regard to the present situation in China, particularly as affected by Japan's recent activities. (NOTE: It may be doubted whether

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F.W. 793.94/5579

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

- 2 -

if he were writing now (August 10) Sir Charles would make some of the statements which he made under date April 28.)

He then asks: "What then must be done if we are to preserve our contingent interest in the potential purchasing power of the 30 millions of Chinese in Manchuria, not to speak of the 400 odd millions in the remaining provinces?"

He then turns to "our present policy in China", of which, he says, the main lines are to be found in the Washington Treaties and the China Consortium Agreement. He says, summarizing, that the powers other than China gave two pledges: "(1) to respect the political and administrative integrity of China; and (2) to afford the Chinese republic a free opportunity to develop its newly established method of government and to maintain peace and good order." "It is implied in the statements made at Washington by the Representatives of the Powers other than China that this is within the limits of possibility, namely, that it is within the power of the Chinese to work out their own salvation by themselves."

He continues, "the results have proved disappointing, and there may be something in the Japanese contention that sufficient time has now elapsed, and that Chinese statesmanship has shown itself powerless to provide the authority required to establish a stable government, and that the treaties must accordingly be applied with due regard to

the

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

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the state of affairs from time to time prevailing in that country." From this, "it may be argued" that the policy inaugurated at Washington in 1922 "now stands in need of revision. It may no longer be safe to leave China alone to work out her own salvation. Active assistance may be required from outside."

He then proceeds: "There are obvious political objections to an offer of assistance being made by any single Power or group of Powers, and it would appear that the required assistance can only be made available on a collective, and not on a separate or independent basis. Any offer of assistance by a single Power or group of Powers would amount not to a revision, but to a reversal of the Washington policy.

"If, however, the required assistance could be made available by the Treaty Powers (a) at the request of China, and (b) within the framework of the League of Nations, it would appear to be not incompatible with the spirit of Washington."

From this point on he discusses the possibility of making use of the Economic Committee of the League of Nations. He suggests that China be induced to apply to that Committee for the services of a Commissioner General, "on the lines adopted with regard to certain of the nations of Central Europe." The Commissioner General should have an inter-

national

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

- 4 -

national staff. "A start might be made with the railways."
"Manchuria would of course fall within the zone of the
Commissioner General"

He concludes as follows: "I repeat, Japan has certain
grievances and they must be removed. China alone cannot
remove them; she must be helped. The neglect of China
in her present trouble would be full of risks. Her rela-
tions with the West, on which our trade depends, hang in
the balance.

"An offer of help would involve no risk. The method
and measure of help would be a matter of negotiation.
League help, if properly handled, would ensure a measure
of peace and of security for life and property in China,
and open the way to a development of international trade
of which a distracted world is in sore need."

Put briefly, Sir Charles advances the view that China
cannot solve her own problems, that the powers must "assist"
China and that the way to go about it is to get the Chinese
to ask the League of Nations to send a Commissioner General
to be the channel and link between the powers' desires and
China's needs.

COMMENT

Sir Charles' statement in regard to the substance and
purport of the Washington Treaties, together with the China

Consortium

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

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Consortium Agreement, gives the impression that it is his conception that the powers are committed to the principle of abstaining from giving assistance to China. It is the belief of this Division that such view is not warranted. The powers party to the Nine Power Treaty have promised not to put obstacles in China's way; the powers party to the Consortium Agreement have agreed among themselves to refrain from competition in the matter of loans and to act in cooperation, within limits, and for purposes specified. To Sir Charles' apparent view that the policy inaugurated in 1922 now stands in need of revision, the American Government has already voiced its dissent. When Sir Charles says, "active assistance may be required from outside", it may be replied that such obstacles as stand in the way of the giving of such assistance are, or at least have been, obstacles of conditions and circumstances rather than obstacles of policy or of law.

To the thesis that there is need for assistance to China from outside, we can readily agree. But, to make it possible to give such assistance, it is not necessary that existing agreements be scrapped or be modified. However, Sir Charles is probably right in the view that the most practicable method of rendering assistance would be to have the treaty powers make it available (a) at the request of China, and (b) within the framework of the League of

Nations

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

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Nations. It would be this Division's view, in addition, that such a plan, if adopted, need not of necessity be exclusive.

Assuming that China might be induced to apply to the Economic Committee of the League for the services of a Commissioner General, with an international staff, this Division perceives no substantial reason for disapproval or objection by the United States. If Manchuria could be made to "fall within the zone of the Commissioner General", that development might make less difficult some of our present and future problems. (NOTE: But we believe that Sir Charles is overly optimistic in that connection.) To Sir Charles' proposition that "League help, if properly handled, would ensure a measure of peace and of security for life and property in China", we would reply: "Perhaps".

A draft of a possible acknowledgment of Mr. Lamont's letter to the Secretary of State is submitted herewith.

SKH

FE:SKH:KC

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

Dear

October 1 1972

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F/HS

793.94/5579

Dear Mr. Lamont:

This is to acknowledge receipt of your letter of July 11 covering and referring to a copy of a letter to you from Sir Charles Addis of date April 28, and your reply of date April 29.

I have noted with care your summarization of Sir Charles' idea and your comment on it. I turned Sir Charles' letter over to the Division of Far Eastern Affairs and that Division has given me an analysis, with comments, of its contents.

By way of appraisal, I find that I cannot at all points agree with Sir Charles' view of the facts and his estimate of the necessities of the situation. Sir Charles suggests that the policy expressed in the Nine Power Treaty and the China Consortium Agreement has failed and that the Treaty at least needs to be revised and the policy be changed. I do not concur in that view or in the reasoning with which he supports it. My views on that subject

Mr. Thomas W. Lamont,
 The American Group of
 The China Consortium,
 23 Wall Street,
 New York, New York.

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

- 2 -

subject are clearly on record in the letter which I wrote to Senator Borah under date February 23, of which, for your convenience, I enclose a copy. The trouble has been not with the policy or with the Treaty but with the action of some powers in disregard or in contravention thereof. Sir Charles appears to think that the policy was adopted of letting China entirely alone. It is my conception that the powers agreed that they would not place obstacles in the way of China's development but that they at no time agreed that neither individually nor collectively might they or would they give China their help. Certain definite limitations were established or defined in the Consortium Agreement and in the treaties, agreements and resolutions of 1922; but nothing so comprehensive as to preclude the giving to China of any help. Sir Charles apparently feels that we must contrive to give China what he calls "assistance" although so far China has given no evidence of desiring any kind of assistance within the terms of the limitations that have been agreed upon.

However, without accepting wholly his line of reasoning or concurring entirely in his conclusions, I feel that Sir Charles' idea that it might be possible and beneficial as a practical matter to give China the benefit of the assistance of the Economic Committee of the League may well be considered on its merits. If the Chinese should without being

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

- 3 -

being compelled to do so ask the League for assistance and the League should feel prepared to give such assistance, I for one perceive no reason why anybody should object. Certainly it seems to me that no one should play the part of a dog in the manger. I am not as confident as Sir Charles seems to be that this procedure would accomplish a great deal; but I feel that it would not be likely to do harm. Of course, if the League acquired a sort of supervisory control over China's public finances and over public constructive enterprises in China, it might result that, while calling upon this country for capital, the League's agents would avoid this country as far as possible in placing orders for supplies and equipment; but that would be a hazard which could and should, in my opinion, be adequately taken care of by you people who are most directly concerned with the financial side of the question.

I do feel that in certain countries in Europe, particularly in Great Britain, the financial and industrial leaders are thinking harder and working harder on the problem of developing a demand in China for what they have to sell and on the problem of placing themselves in a preferred position in connection with supplying that demand than are at this time similar leaders in this country.

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

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country. However that may be, if the League has the facilities and the inclination to lend a hand, I would be inclined to say that we might well give the idea our blessing and as far as possible our support.

Sincerely yours,

HENRY L. STIMSON

Enclosure:
 Copy of letter to
 Senator Borah of
 February 23, 1932.



SEP 26 1932 PM

FE:SKH/ZMF
 9/26/32

J.E.G. rem
 FE
 SKH

C. Song
 Sep. 26. 1932
 mlt +

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 11, 1932.

Mr. Secretary:

In response to your instruction to this Division for examination and report on the contents of Mr. Thomas W. Lamont's letter to you of July 11 and its enclosure, a letter from Sir Charles Addis to Mr. Lamont under date April 28, there are submitted herewith a memorandum and a draft of a letter to Mr. Lamont.

Mr. Castle has seen and approved.

SKH

1. Approved - Drawn
WJ

FE:SKH/ZMF

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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

Defense Plans:
Printing

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

October 6, 1932.

Return to TV
ADL
Division of
FAR EASTERN AFFAIRS
FEB 9 - 1933
Department of State
copies

793.94
note
893.102 Peiping
124.931

The Department has now received from Peiping
793.94/5571
of the maps mentioned in the International Defense Plan
of the Legation Quarter at Peiping.

One of these maps shows the boundary of the Legation
Quarter and the sectors assigned to the various Guards. The
Japanese sector is in juxtaposition to the Italian sector on
the one side and to the French sector on the other side.
The American Guard would therefore not be in close touch
with the Japanese Guard and there would consequently be
less likelihood than there was at Shanghai of friction
occurring between the Japanese and the American defense
forces.

The Defense Plan seems to be as good a plan as could
reasonably be devised.

The Senior Commandant (American) of the Legation Guards
is placed in command of and is charged with directing the
defense of the Legation Quarter. Fire will be opened only
upon the orders of the Senior Commandant or by any Guard if
actually fired upon.

Each Legation Guard is expected "to prepare the defense
of such outlying points in the immediate front as are
necessary for the proper defense of the line here outlined."
This feature is probably necessary from a military point of
view,

F/HS

793.94/5579-1/2

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

- 2 -

view, but it would of course give the Japanese some basis for claiming the right to extend their operations considerably outside the Legation Quarter. The provision is restricted, however, by the fact that it would accord free action to the Japanese forces only in such areas as lie in their "immediate front".

A number of assembly points are designated for foreigners to gather and each of these points is provided with an escort from one of the Legation Guards. A Japanese Guard is designated as escort for only one assembly point, namely, the Yamato Club which is situated outside the Legation Quarter almost due east from the Peiping Hotel and a short distance west of Hatamen Street.

No action appears to be called for with regard to the Defense Plan.

MMH/REK
m.m.f.

rcm

J.E.J.

SKH

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

DEPARTMENT OF STATE

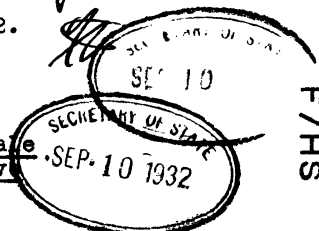
DIVISION OF FAR EASTERN AFFAIRS

September 6, 1932.



MANCHURIA SITUATION

Indications of Impending Large Scale
 Military Conflict which may involve
 Jehol, Peiping and Tientsin.



F/HS

793.94/5580

Reports from our officers in Peiping and in Tokyo, together with news despatches, make it clear that there is warrant for apprehension that Japanese and Chinese armies may before long be engaged in combat operations more extensive than any which have so far occurred in this situation and which may involve not only the Jehol but the Peiping and the Tientsin areas.

If such a conflict develops, the situation will be one of war. It will involve authorized combat engagements between Japanese armies operating from Changchun and Chinese armies operating from Peiping. It may and it probably will involve severe fighting at or near Peiping; also, operations at or near Tientsin and use of river communications between the sea and Tientsin and rail communications between Tientsin and Peiping.

Such operations would bring into question the safety of foreign residents at Peiping and Tientsin, the safety of the foreign Legations at Peiping, and the rights of the foreign powers under provisions of treaties in regard to open and unobstructed communication between Peiping and the coast.

Chinese

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

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Chinese (Wellington Koo) have approached Minister Johnson on the subject of possible "neutralization" of Peiping and Tientsin. Minister Johnson has in several telegrams to the Department manifested great solicitude with regard to the question of the position of the Legations in connection with the problem of the presence there of the Japanese Legation guard. (NOTE: The Japanese Legation is in the center of the Legation quarter and is entirely surrounded by other Legations.)

It would seem that considerations of propriety and diplomatic strategy render it inadvisable to make either to the Japanese or to the Chinese Governments any representations up to such time as it is conclusively apparent that hostilities have begun or are on the point of beginning. At the same time, it would seem desirable that the powers be prepared to make, at the moment when it becomes clear that hostilities are imminent, appropriate representations and to take appropriate action toward safeguarding the lives and interests of their nationals and maintaining their rights under the treaties and in law. It is believed that it would then be practicable and advisable to suggest to the Chinese and the Japanese Governments that the city of Peiping and a reasonable area there-around be constituted, by agreement between them or by unilateral contingent declarations by each of them, a neutralized area.

Hombach
 What for?
 do you suggest?

Present a
 plan of
 preparation
 H/C

General
 W/C

Do you suggest immediate approach to
 Britain, France & Italy? H/C

FE:SKH/ZMF

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

DEPARTMENT OF STATE



September 8, 1932.

Memorandum of conversation with the Italian Ambassador, September 7.



F/HS

793.94/5581

The Italian Ambassador read me a telegram from Shanghai stating that the report was that Japan would soon occupy the province of Jehol and that this would mean disorders in Tientsin and Peiping since the Chinese Government is determined to use its forces for the protection of Jehol; he asked me whether this would not raise the question of the neutralization of Peiping. I answered that it would not do so since that question would not arise unless Japanese troops invaded northern China.

The Ambassador said that he had a report that a new Japanese fleet was on its way to Shanghai. I told him that we had not heard this and that I hoped the explanation might be that Japan may be sending ships to China to replace those now there.

W. R. Castle, Jr.

FILED

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

DEPARTMENT OF STATE
 DIVISION OF FAR EASTERN AFFAIRS

October 11, 1932.

~~CONFIDENTIAL~~ ONI & MID Confidential? *Yes*
~~SECRET~~
~~SECRET~~

Mukden's unnumbered despatch of September 13, 1932, encloses a copy of its despatch No. 652 to Peiping with regard to the situation on the Fengtien-Jehol border. This despatch might well be read in full.

LES
 LES:CLS

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

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

4E
AC/C

No. _____

AMERICAN CONSULATE,

GENERAL,
Mukden, China, September 13, 1932.

SUBJECT: Situation on Jehol Border.

VG

CONFIDENTIAL - For Staff Use Only.

THE HONORABLE
THE SECRETARY OF STATE,

WASHINGTON.

Division of
FAR EASTERN AFFAIRS
OCT 10 1932
Department of State
Copy to Delegate, Seneca
Chairman's Conference -
Nov. 17, 32. FEA

SIR:

793.94

I have the honor to enclose herewith a copy of
my despatch No. 652 to the Legation at Peiping, China,
dated September 10, 1932, on the above subject.

Respectfully yours,

M. S. Myers
M. S. Myers
American Consul General.

Enclosure:

Copy of despatch No. 652
to the Legation at Peiping.

800
HTW

4 Carbon copies
Received *F.P.*
DEM.

F/DEW

793.94/5582

OCT 31 1932

FILED

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

No. 652.

AMERICAN CONSULATE GENERAL

Mukden, China, September 10, 1932.

CONFIDENTIAL - For Staff Use Only.

SUBJECT: Situation on Jehol Border.

The Honorable

Nelson Trusler Johnson,
 American Minister,
 Peiping, China.

Sir:

Referring to my confidential despatch No. 641/⁵⁷⁶ of August 9, 1932 under the subject "Portents of Future Developments", I have the honor to report further information concerning the situation on the Fengtien-Jehol border.

Mr. A. T. Steele, correspondent of the NEW YORK TIMES in Manchuria, who visited Chihnsien (Chinchow) a few days ago obtained information regarding conditions in that area which appears to indicate that the Japanese military are not contemplating an early military movement into Jehol Province. Mr. Steele stated that there were no signs whatever of preparations for a move into Jehol which naturally would require a considerable concentration of troops and material. Normal activity only was in evidence such as is related to the protection of the railway line and to forays against bandit groups.

Every

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

- 2 -

Every railway station of the Fengtien-Shanhaikuan line has its guard of Japanese soldiers and is protected with sand bags and barbed wire entanglements. Around Chihnsien the strengthening of the defense works is still being carried on.

From a Japanese military officer at Chihnsien who talked with considerable frankness, Mr. Steele learned that the main concern of the Japanese is the volunteers of whom there are said to be between 10,000 and 20,000 scattered along the eastern Jehol border. The officer asserted that the morale of the volunteers is poor, chiefly as a result of inadequate supplies of arms and ammunition and even food and that it was hoped that they would eventually be won over to the side of Manchoukuo. Japanese agents are in touch with many of these groups, it was stated, the inference being that the Japanese are prepared to buy their fealty to Manchoukuo with money and a promise of incorporation into Manchoukuo forces as has been frequently done in the case of bandits and district patrols.

This officer asserted that the Japanese military are not transgressing on Jehol territory and that they are content to leave matters as they are for sometime to come. He intimated that T'ang Yü-lin is in a difficult position and could not openly espouse the cause of Manchoukuo without inviting attack from Marshal Chang Hsueh-liang's forces.

There is good reason to believe that the Japanese are not in a position to undertake military operations

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operations against Jehol at this time. The great bulk of their troops - only about one division is said to be in South Manchuria - is concentrated in the North and evidently their removal to South Manchuria is not considered feasible for the time being. Banditry in August was worse than in July and it still appears to be growing more and more serious. According to the Japanese press Japanese resident organizations have made representations to Tokyo requesting the despatch of additional troops to Manchuria for their protection. In view of these facts the above mentioned statements of the Japanese officer appear reasonable. Another factor which should tend to prevent the Japanese from embarking on extensive military operations at this time is the precarious financial condition of the Japanese Government. It would seem, therefore, that provided there are no serious provocative acts on the part of the volunteers or T'ang Yu-lin's troops - the latter are not likely to resort to such activity as it appears to be T'ang's sole desire to be left in undisturbed possession of his domain - no important military move against Jehol in the near future, or probably this year, is to be expected.

Reference in this connection may appropriately be made to Lieutenant-General Koiso's remarks to an American press correspondent which were reported in my despatch No. 648 of August 27, 1932 on the subject of the "Arrival of General Muto, Japanese Ambassador". He stated that Jehol is considered as

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an integral part of Manchoukuo territory and that if peaceful means, first to be tried, fail to solve the issue, military means will be resorted to. Too, the apparent desire of the Japanese to minimize the alleged attack on August 19 by 200 Jehol troops on a Japanese armored train near Nanling, Jehol Province, which was carrying a special service officer of the Kwantung Army for the purpose of negotiating the Ishimoto case (reported in my telegram of August 22, 5 p.m.) would seem to confirm the above mentioned conclusion.

As bearing on this subject, reference may also be made to the telegram which was despatched on September 1, 1932 by Foreign Minister Hsieh Chieh-shih to Nanking, a copy of which was enclosed with my strictly confidential despatch No. 649 of September 3, 1932 concerning "Japanese Administration in Manchuria", in which the Nanking Government was warned that the disorderly elements in Jehol Province and the disruptive activities of agents in Manchuria of the North China militarists are a menace to Manchoukuo which may at any time be obliged to deal with them in an effective manner. This telegram was mainly designed, in the opinion of competent observers, to frighten T'ang Yu-lin into preventing the passage of arms and supplies through his territory for the use of volunteers and secondarily to influence T'ang Yu-lin to become more receptive to Japanese overtures.

This

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

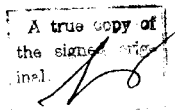
- 5 -

This is not meant to imply that the Japanese propaganda campaign against Chang Hsueh-liang is likely to cease or that their schemes and intrigues for the purpose of securing the adherence of T'ang Yu-lin to Manchoukuo are to be given up. In fact it is probable that they will be carried on more strenuously than ever. Perhaps little result is expected from these efforts but at any rate they will keep Manchoukuo's claim to Jehol Province before the Japanese people and the world.

Japanese acquired interests in Jehol Province mainly relate, as far as this office is aware, to the extremely valuable and extensive coal field at Hsinch'iu, in the eastern part of the province. As was reported in my confidential despatch No. 82, of March 1, 1928, on the subject of this coal field, the South Manchuria Railway Company secured some years previously from other Japanese interests a concession covering sixty square li (about seven square miles) of this field. Another owner with a large holding is the former Fengtien Mining Administration, whose interests may be expected sooner or later to come under the control of the South Manchuria Railway Company. It seems probable that it is the vast and varied mineral wealth of Jehol which explains in no small degree the importance of Jehol to Manchoukuo, Japan's much stressed "life-line".

Respectfully yours,

M. S. Myers,
 American Consul General



Original

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

- 6 -

Original and one copy to Legation.
Five copies to Department.
One copy to Consulate General, Harbin.
One copy to Consulate General, Tientsin.
One copy to Embassy, Tokyo.

800
MEM:MMP

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS
October 10, 1932.

~~RECEIVED:~~
~~RECEIVED:~~

Mr. Atherton reports on a conversation with the Chief of the Far Eastern Division of the British Office with regard to the proposed neutralization of the Peiping area. Suggest that, in view of the emphasis which has been placed upon this matter, you read the entire despatch.

JEJ

f. e. f.

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

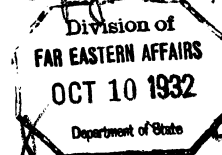
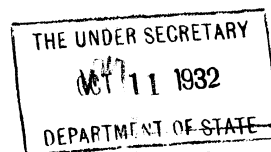


EMBASSY OF THE
UNITED STATES OF AMERICA

London, September 29, 1932.

No. 395

SUBJECT: Proposed Neutralization of
Peking Area.



F/DEW

793.94/5583

FILED

DEC 1 1932

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to acknowledge the receipt of the
Department's instruction No. 217, dated September 16, 1932,
enclosing a copy of a memorandum outlining the Department's
views in regard to the possibility of hostilities between
Chinese and Japanese forces south of the Wall.

As Sir Victor Wellesley, the Assistant Secretary for
Foreign Affairs in immediate charge of Far Eastern affairs,
is absent from the Foreign Office on furlough, a member of
the Embassy staff called this morning on the chief of the

Far/

EHL MVB

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

-2-

Far Eastern Department to ascertain informally the further views of the Foreign Office on the suggestion to propose the neutralization of the Peking area. The chief of the department said that the British Embassy at Washington had cabled a full summary of the memorandum, and that the British Legation at Peking had been instructed to comment on the suggestions put forward in the memorandum. So far as he knew, it was not the intention of the Foreign Secretary to form any conclusion--provided, of course, that no military developments which might affect the Peking area take place--until he had heard from the Legation. He explained that the Foreign Office did not, at the present moment, feel very apprehensive of a Japanese move south of the Wall, and believed that the Japanese Government was anxious to avoid military operations outside of Manchuria, as the Japanese army is having enough trouble in Manchuria itself. He thought that junior Japanese officers were prone to resort to bellicose language, but that their statements did not necessarily reflect any definite policy of their Government. The chief of the Far Eastern Department was then reminded that the Japanese Minister of War was reported in the press yesterday as having threatened to take drastic measures against Chang Hsueh-liang "if necessary", and the opinion was expressed that consideration of the

neutralization/

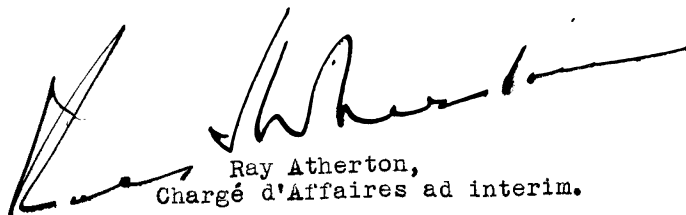
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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neutralization proposals seemed to be pressing. The chief of the Far Eastern Department then said that the Foreign Office hoped to hear from Peking in the near future; but that if, in the meantime, any threat to the security of the Legation Quarter arose, he supposed the arrangements drawn up last month by the Legations, which, he understood, had been approved by the American, British and Italian Governments and "in principle" by the French Government, would be followed.

Immediately upon Sir Victor Wellesley's return, the Embassy will again take occasion to discuss the question.

Respectfully yours,



Ray Atherton,
Chargé d'Affaires ad interim.

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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

Oct. 15, 1932.

~~MEMORANDUM~~

~~SECRET~~

To note herein a report
 from the Minister of further
 activities of the Japanese
 Legation Guard. Part of this
 information was communicated
 to the Dept. in the Legation's
 telegram of Aug. 31, 8 p.m.

J.E.J.

0957

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



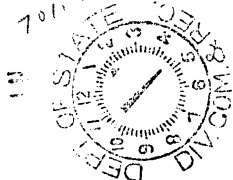
No. 1725

LEGATION OF THE
UNITED STATES OF AMERICA
Peiping, September 6, 1932.

Return to [initials]

Subject: Japanese Legation Guard, Peiping.

793.94
701/1193



OCT 10 1932

The Honorable
The Secretary of State,
Washington.



F/DEW
793.94/5584

Sir:

793.94/506

I have the honor to refer to my telegram No. 1043, August 31, 8 p.m., reporting certain statements made by the Japanese Commandant to the British Commandant, and to enclose with this despatch, for the 1/ Department's information, a copy of a memorandum dated August 31, 1932, from the Adjutant of the American Guard to which is attached the report by the British Commandant to his Chargé d'Affaires.

The firing referred to in paragraph three of the American Post Adjutant's memorandum was clearly audible at the American Legation also. Its exact location has not yet been ascertained, but indications are that the firing took place outside the Diplomatic Quarter and at not as great a distance away as the International Rifle Range, in the neighborhood of which the Japanese stated they would hold maneuvers

at

0958
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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at that time. A member of my staff who lives in the eastern part of the city informs me that one of his servants reported the firing as being much closer to his residence than the Rifle Range.

Respectfully yours,

Nelson Trusler Johnson

NELSON TRUSLER JOHNSON.

Enclosure:

Memorandum dated August 31st
from the American Post Adjutant
to the American Minister.

701.

PWM.EA

0955

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

C O P Y

UNITED STATES MARINE CORPS
MARINE DETACHEMENT, AMERICAN LEGATION,
PEIPING, CHINA.

Enclosure 3
1725
Despatch No.

31 August, 1932.

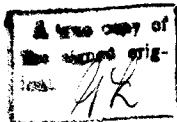
MEMORANDUM FOR THE AMERICAN MINISTER:

1. I attach hereto copy of a report forwarded to the Chargé d'Affaires of the British Legation of a conversation held in the office of the British Commandant on the 30th of August, between the Japanese and British Commandants.

2. Major Prendergast very kindly phoned me a few minutes ago that he had had a most interesting conversation with Colonel Aihara and would be very glad to allow me to read a report which he had compiled for Mr. Ingram. After reading the report in question I requested permission to have a copy made, in view of the fact that the Senior Commandant is temporarily out of the city, which request was immediately granted.

3. With reference to the firing which took place between the hours of 3 and 5 this morning Major Prendergast called in the Sergeant of the Guard and Sentry on watch both of whom reported that they had heard two bursts of machine gun fire, the first taking place about 3:20 a.m., approximately 20 rounds being fired; the second burst about 4:15 a.m., when between 30 and 40 rounds were fired, both the Sergeant and Sentry were quite confident that live ammunition had been used, both were most insistent that it could not have been fired at the rifle range, but at some point just the other side of Hatamen Street (East of Hatamen). The Japanese sent us an official notice advising that they would conduct night maneuvers between the hours of 3 and 5 a.m., this date, in the vicinity of the Rifle Range. Any further information in this connection will be forwarded to you. The Rifle Range up to the present time has made no report.

(Signed) J. T. SELDEN,
Captain, U.S.M.C.
Post Adjutant.



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

C O P Y

British Legation Guard
 PEIPING.
 31st August, 1932.

To:-

E.B.M. Ingram, Esq., O.B.E.
 Charge d'affaires,
 H.M. Legation,
 Pe i p i n g.

Sir,

In continuation of my previous Minute, Colonel
 Aihara and Captain Watanabi visited me in my office at
 11.30 a.m. on 30th August.

Colonel Aihara apologized for my reception at the
 Japanese Legation Guard, and for the incident of the sentry
 having ordered Sgt. Watley and Mr. Potts off the path outside
 the Japanese Legation Guard.

Colonel Aihara, during a long conversation with me
 in the presence of my acting Adjutant, Lieut Harrington,
 made the following statements:-

That there could be no peace in North China while
 the Chinese army were occupying positions inside
 the borders of the New State (i.e. in JEHOL) as,
 owing to their presence, arms and men could be
 sent into MANCHUKUO.

In order to rid the borders of MANCHUKUO of these
 troops it was necessary to crush Marshal Chang
 Hsueh Liang if he did not depart voluntary.

He also stated that MANCHUKUO would quite possibly
 demand that all Chinese troops be withdrawn
 south of the Yellow River and the country so
 vacated be policed by Chinese police and Manchukuo
 troops.

2.....

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

Page 2.

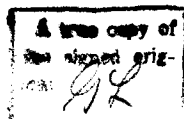
2. On my pointing out that Manchukuo troops would hardly be capable of carrying out this task, Colonel Aihara stated that he considered Japanese troops and aeroplanes might be easily lent to assist in this as hired to take part in cinema films; that America was selling aeroplanes to China so why should not Japan lend or hire aeroplanes and men to Manchukuo.

He also went on to state that he did not see why Japan should not influence Manchukuo to establish the Young Emperor in Peking, and eventually as ruler over the whole of China; thus making China a better place for foreigners to live and trade in.

He blamed the Kuomintang Government for the present situation in China as he alleged it to be a "Puppet" of Soviet Russia, and less desirable than the New State supported by Japan.

He kept on making a point that in the event of trouble being likely in Peking a good might be done by a demonstration in force of a combined march of all the Legation Guards through the city with bugles sounding and bands playing. He also went on to state that he considered that the defence of the Legation Quarter would quite possibly be better carried out by active operations in the city than by a passive defence of manning the walls of the Legation Quarter. He wanted to know what my attitude to this was, and I informed him I should obey the order of the Minister and Senior Commandant.

Major,
 Commanding,
 British Legation Guard.



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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

OS. 15, 4832.

~~MMH:~~

~~SKH:~~

A good summary from
 Peiping of editorial comment
 on the Sino-Japanese
 situation. Suggest that
 you read the despatch -
 not enclosures.

J.E.F.

196

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



LEGATION OF THE
UNITED STATES OF AMERICA

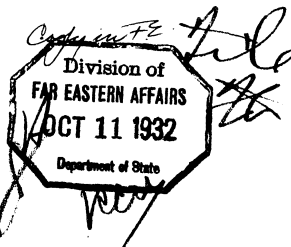
No. 1738

Peiping, September 15, 1932.

Subject: Editorial Comment on the Sino-Japanese
Situation.

F/DEW

793.94/5585



The Honorable
The Secretary of State
Washington, D. C.

Sir:

In continuation of the Legation's despatch No.
1687 of August 18, 1932, I have the honor to transmit
herewith four additional editorials commenting on
various aspects of the Sino-Japanese dispute.

1/

The first editorial, that from LE JOURNAL DE PEK
(French-owned and edited, independent) of August 31,
1932, entitled "The Chinese Position", is a commentary
on the recent speech delivered by Dr. Lo Wen-kan, Minis-
ter for Foreign Affairs, in which he attacks the attitude
of Japan as outlined by Count Uchida in his recent
speech before the Japanese Diet. In the opinion of the
editor, Dr. Lo's speech, being merely a denunciation
of Japan, has no constructive value, and tends only to

confirm

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

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confirm the doubts of foreigners as to China's ability to extricate herself from her present position.

2/ In its editorial of September 8, 1932, THE PEIPING CHRONICLE (British-edited, but government-controlled) refers to the contradiction in Japan's announcing, on the one hand, that she is about to recognize the independence of "Manchukuo" and, on the other, sending a new minister to China who is expected to be received with cordiality "by the representative of the suffering government." With irony the editor declares that "Japan has evolved a way of making war without declaring it, and at the same time maintaining friendly relations with the enemy." In conclusion, he avers that realizing her position to be "a mass of contradictions in terms", Japan has decided "to no longer argue an unarguable position" and is "cutting the Gordian knot for her own benefit."

3/ The PEKING & TIENTSIN TIMES (British-owned and edited, independent), in its editorial of September 9, 1932, reviews the existing Sino-Japanese impasse from a broader, though equally gloomy, point of view. The editor objects to the arrogant pretensions of Japan in notifying the rest of the world that neither as spectator nor as mediator is it entitled to claim "a voice or an ear in the ultimate adjustment of differences which are in the last analysis world differences." Continuing, he maintains that the only way in which a fundamental settlement, not merely of the Manchurian question but of the whole Chinese problem, can be reached is "by ex-

changing

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

- 3 -

changing political privileges at variance with the doctrine of national sovereignty for those economic rights and advantages which these temporary privileges were designed expressly to protect and foster." He recognizes that Japan can help China even more decisively than she has hindered her, "and that there can be no permanent or true solution of the Far Eastern problem except it be based on the plainest possible realities, namely, that Japan needs China and China needs Japan." Continuing, the editor points out that "we cannot permit any State to ignore its own most stringent obligations nor can we protect and maintain world peace by abandoning the position that each nation must contribute its proper duty to that responsibility." He deplores the assumption, prevalent in Chinese official circles, that the responsibility of her national defence devolves not upon herself but upon other Powers. Though admitting that the Nanking Government nominally accepts its responsibility of defending its territory and of finding its own salvation, the editor points out the deplorable yet all too well known fact that "where there should be solid unity, discipline, the spirit of sacrifice, the will to survive there is clamour, dissension, envy and spitefulness, intrigue and false professions, and even civil war; on the top, deadly paralysis, corruption and decay; below, the seething, muttering and restless swaying of hidden forces."

The final

0964

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4/ The final editorial enclosed herewith is from the
PEKING & TIENTSIN TIMES of September 10th and deals with
the grave disorders in Manchuria that have followed in
the wake of the Japanese occupation. According to the
editor the only logical motive for Japan's occupation
of Manchuria following the trifling incident of September
18, 1931, could have been the establishment of order and
the protection of her legitimate interests. Nevertheless,
"after a year of herculean labours by the Japanese army,
insecurity in Manchuria is infinitely greater today than
at any period in its modern history. . . . The power
of economics is in the end irresistible. To the extent
that events foster the economic prosperity of the ter-
ritory and therefore of Japan . . . will the bargain-
ing power represented by the territorial occupation be
increased when the shouting and tumult die down and China
and Japan discuss their differences."

Further editorial comment on the Sino-Japanese
situation will be found in the press clippings being
transmitted by the same pouch as this despatch.

Respectfully yours,

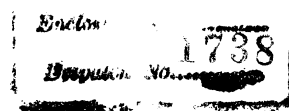
Nelson Trusler Johnson
NELSON TRUSLER JOHNSON.

✓ Enclosures:
Four newspaper clippings,
as indicated herein.

800
RLB:epg

Copy to: American Embassy, Tokyo.

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



LE JOURNAL DE PEKIN

Wednesday August 31 1932

The Chinese Position

In a recent article, we indicated that one after the other various Powers and international organisations had been forced to define their positions as regards the differences between China and Japan.

The time is rapidly approaching when the world will have to face its responsibilities and when Governments will have to make a choice of policies that may well decide the fate of the Far East for many years.

Count Uchida's recent speech leaves no doubt as to the position of Japan.

The Report of the Commission of Enquiry of the League of Nations which is to be sent to Geneva within a few days will furnish us with an indication of the probable decisions of the League.

We pointed out some little while ago, that the one factor that was lacking was an authorized expression of the opinion of China.

At that time we expressed our doubts as to the value that could be attributed to the declarations of members of the Nanking Government on this subject.

We cannot conceal our satisfaction in observing that Dr. Lo Wen Kan has broken this silence.

In a speech that is not without cleverness, he submits for the criticism of the world the recent speech of Count Uchida.

In his commentary we find the same old often repeated reproaches: Japan has violated the Pact of the League of Nations, the Nine Power Treaty and the Kellogg Pact. Japan is guilty of having been the cause of the present strained relations between herself and China, Japan is excuses its acts of aggression on the grounds of legitimate defence, reasons as fallacious as they are inconsistent.

All this might be believed abroad. It is after all but a repetition of the arguments advanced by China's representatives to the United States, jealous of the power of Japan or to smaller European powers alarmed at the prospect of a similar state of affairs arising in their own country as that which now exists in Manchuria.

We will not attempt to discuss the arguments. It is certain that they will be examined in detail at the forthcoming Geneva debates. They retain the world aspect of the situation.

What we would like to retain of Dr Lo Wen Kan's speech is a point we had already raised in an article devoted to the same subject, a point which is intimately connected with the value that must be set on any declaration of the present government. We have to grant Dr Lo Wen Kan every credit for his speech and the way he has spoken. But his words only confirm our doubt as to China's ability to extricate herself from her present position.

What Dr. Lo Wen Kau actually said was. "We do not pretend to possess a perfect administration free from those political vicissitudes common to all countries. Nor do we claim complete successes in our work of suppression of Communism thus far undertaken.

We also admit that we have not been exempt from the effects of the universal economic depression. We were harassed last year by unprecedented floods and are still suffering from their damaging consequences."

Then Dr. Lo Wen Kan accused the Japanese of having taken advantage of these internal difficulties to crush the Chinese people.

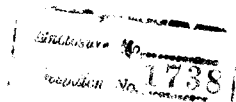
We again repeat that for once we would like to read a speech of the Chinese Minister for Foreign Affairs that does not contain a reproach, an excuse or an avowal of impotence.

We would like to hear some Chinese Statesman give expression to truly national sentiment and not the professions of faith of the nationalists.

Not complaints or recriminations, but words of courage and faith. "Heaven helps him who helps himself" is a proverb that the sons of Heaven should put into practise.

A. N.

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



THE PEIPING CHRONICLE, Thursday, September 8, 1932

CONTRADICTIONS IN TERMS

A most curious situation has developed between this country and Japan, amounting almost to what might be called a contradiction in terms. Yesterday's telegrams told us that the Tokyo Government had decided on the recognition of "Manchukuo" before the 15th instant, so as to forestall any discussion or decision that may take place at the League of Nations, and today's telegrams tell us that Mr. Ariyoshi, the newly-appointed Japanese Minister to China, left Shanghai for Nanking on Tuesday evening, and is expected there to present his credentials to Mr. Lin Shen, President of the National Government, as soon as the latter returns to Nanking. If it were not all sober, serious and incontrovertible fact it would be fitting material for a Gilbertian opera. On the one hand Japan proposes to detach—to use the mildest and least implicative term—an enormous area from Chinese national territory, and on the other expects her ambassador to be received with cordiality by the representative of the suffering Government. It reminds one of the story—revised version—of "The Industrious Apprentice", who used his wits to embezzle his master's property and then married the master's daughter to make good the deficit. It is also a very clever way of eating your cake and having it, to afford aid and sustenance and comfort to a rebel state—for "Manchukuo" is that, at least, if it has sufficient self-volition to declare its independence—and at the same time to smirk and smile and shake hands and go through all the other antics of friendly relationship with the sovereign authority. The subtlety of this diplomacy surpasses anything in "The Prince," whose author is a babe in arms compared with the casuists of Tokyo. Tokyo has avoided a question that was posed long ago. At the first Peace Conference at The Hague the Chinese delegate asked the question; "Suppose one Power declares war on another, and the other refuses to accept the declaration, what is to be done?" The delegates all smiled then, and they would smile still more now, when Japan has evolved a way of making war without declaring it, and at the same time maintaining friendly relations with the enemy. Mr. Ariyoshi, it would almost seem, is in danger of being accused of maintaining treasonable relations with the enemy; a nice predicament for a diplomat to be in.

All this does not hide the main fact, that Japan has decided to cast to the four winds of heaven the torn bits of those inconvenient scraps of paper, the Washington Treaties, especially the Nine-Power Treaty, and other instruments guaranteeing respect for the territorial and administrative integrity of this country. Japan's tactics have been lamentably faulty. Had rebellion and revolt broken out, whether by clever engineering or otherwise, in Manchuria first, and

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

Japan stepped in to restore law and order, she might have had at least a plausible excuse for making a long stay, assisting the revolting people to set up their own government, and eventually establishing a protectorate that would have been but a thin disguise for annexation. Instead, she puts the cart before the horse: intervenes first, then produces the revolt, next recognizes or proposes to recognize the rebel state, and only last of all undertakes to restore law and order. And now, as adjacent columns testify, she produces, *ex post facto*, alleged justification for her purpose, though not for her procedure, from forgotten conversations, for which no evidence is produced, though it should—according to the story—be available, with the late President Roosevelt, who, in spite of his ebulliences, was at least far too wary to saddle himself with responsibility for them whilst he was alive, though he could quite appropriately have given Japan his endorsement, and the world the benefit of his judgment, in 1915; indeed, it is surprising that Viscount Kenaro did not trot out his reminiscences then and give ex-President Roosevelt his opportunity to back up Japan's Asiatic Monroe Doctrine.

The whole Japanese position, of course, is a mass of contradictions in terms. She has realized this, and, unwilling any longer to argue an unarguable position, is cutting the Gordian knot, for her own benefit and that of her friends, if any, in the League, by precipitate recognition backed up by appeal to the *ultima ratio* of the sword.

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

PEKING & TIENTSIN TIMES, FRIDAY, SEPTEMBER 9, 1932.

THE CRIPPLE.

THE new Japanese Minister is not to be envied in the task to which he is dedicated. It is hard to discern either the way or the will to those friendly Sino-Japanese relations which we agree will have to be re-established sooner or later. The keynote of the maintenance of peace in the Far East, he says, is "the inter-dependence and mutual prosperity of China and Japan." For our part we would have put it a little wider, for we can no longer isolate even such groups as these in a world wherein we are all economically inter-dependent. But he was quite entitled to speak in the particular sense in applying the generalisation to his own mission. We accept as always the immediate goal, but cannot, of course, regard it as other than one stage of a journey to which all the trading nations of the world are committed. Hence, while acknowledging the principle of Japanese policy, we object to those arrogant pretensions which notify the rest of the world that neither as spectators nor as mediators, still less as co-principals, are we entitled to claim a voice or an ear in the ultimate adjustment of differences which are in the last analysis world differences.

That view is justified not merely in point of principle. It is, we are convinced, sanctioned by goodwill to both parties and the desire to help and not to hinder. We have all learned much since the Twenty-one Demands were presented. It has not caused the slightest modification of the view that the method—whether the only one possible or not—was wrong. But it has changed the view in regard to the ultimate objective. Coercion can never succeed unless, when its merely negative mission is accomplished, it produces that hour of generous enlightenment which enlists consent. This was true of our struggle with the Boers in South Africa. We won the war, and gloriously lost the peace in one of the most notable of a long series of appeasements which are based on the principle that

political privileges or restraints which obstruct economic progress and the true welfare of peoples are better abandoned than retained.

Manchukuo or Manchuria can be a link or a barrier. There is only one way in which a fundamental settlement can be reached, not merely of the Manchurian question but of the whole Chinese problem, and that is by exchanging political privileges at variance with the doctrine of national sovereignty for those economic rights and advantages which these temporary privileges were designed expressly to protect and foster. The achievement of such a settlement requires a certain state of mind in both countries and a condition of order and stability in the State to which these privileges are remitted. There must be sincerity and statesmanship in the acceptance and enforcement of that policy. Wilful exaggerations must be abolished. Aims that are not in consonance with them, whether of military grandeur and the pursuit of power as an end in itself, or of selfish, obscurantist exclusionism must quite frankly be given up. We recognise that Japan can help this country even more decisively than she has hindered it, and that there can be no permanent or true solution of the Far Eastern problem except it be based on the plainest possible realities, namely, that Japan needs China and China needs Japan.

But if these be the foundation of policy, there can be no superstructure without the simultaneous recognition that the rest of the world has need of both and that both have even more urgent need of that ramified world system—political as well as economic—into which after ages of isolation they have been irresistibly drawn. The decisive factor, in a situation where it is intensely difficult to know where rights end and wrongs begin, is precisely that world solidarity which every new international conference merely demonstrates anew. We may be reluctant to pass strong judgment on the merits of the broader issues between China

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and Japan. But this is not the sole or even the most important question. We are patiently building a better world organization. To this, both economically and politically, with such modifications and changes as experience must dictate, both China and Japan must conform. There is no other way out.

We cannot forego our interest or our responsibility, however slowly we may choose to develop or implement them. That would be true whether we did or did not have Leagues, Peace Pacts, and what not. They are mere expressions of an indubitable world condition. But likewise we cannot permit any State to ignore its own most stringent obligations. We cannot reduce world anarchy by ignoring national anarchy. The health of the body is the health of its every member. Nor can we protect and maintain world peace—the first of our necessities, surely—by abandoning the position that each nation must contribute its proper duty to that responsibility. Therefore the policy which the Nanking Government has chosen to adopt is one that cannot wholly be approved. We deplore most of all the assumption that the charges and responsibility of her national defence devolve not upon China but upon other Powers. It is wrong in principle and likely to be disastrous in the result.

The League cannot save China even if it would. That is primarily the task of the Chinese people. Is it any better to be the helots and dependents of the whole world than of merely one nation? The first requirement of membership of the new world order is that each State tributary thereto reflects in its organisation and estate the attributes of the whole. We cannot invert the pyramid. If we are going to build this new order strongly and securely, we must realise that each national block which is cemented into this new structure is sound and capable of fulfilling its part. Nations may and do have obligations added to those which belonged to their status before the League was created. None of the fundamental duties which previously existed have been

handed over. Each must endeavour to find its own salvation, protect its own status, deal with its own problems, defend its territory and negotiate on issues concerning other States. The League is the last resort, not the first. When Feng Yuhsiang declared that he refused to see the Lytton Commission because he was ashamed to do so he expressed, whether honestly or otherwise, the attitude which ought to be shared by all his countrymen.

Nominally the Nanking Government accepts the position. It has stated that it will resist and negotiate and also rely on the League. In point of fact it drifts, and instead of developing its own responsibilities waits upon Geneva. And it is equally true that in the present conditions it can neither resist nor negotiate. The first problem of China is internal. The triteness of the platitude does nothing to modify its extreme significance. The Government itself is tottering and showing signs of that moral degeneracy which invariably accompanies the activities of politicians who realise that the tide is against them and that the future must be provided for in the good old way. Where there should be passionate, solid unity, discipline, the spirit of sacrifice, the will to survive, and all those spiritual qualities that nations summon to their succour in the hour when destiny tries them most deeply, there is clamour and dissension, envy and spitefulness, intrigue and false professions, and even civil war: on the top, deadly paralysis, corruption and decay; below, the seething, muttering and restless swaying of hidden forces—forces which must break through and wreak a terrible vengeance if there is no early resolution of these dissensions. China's first duty is the united front, discipline, steadfastness. Thus alone may she resist and negotiate, and enable the rest of the world to perform its own part of the new duty.

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PEKING & TIENTSIN TIMES. SATURDAY, SEPTEMBER 10, 1932.

THE TRUE TEST OF INTERVENTION.

THERE is no necessity to follow the captious example of the *News-Chronicle* in its tart comments on the Yingkow outrage. There are many aspects of the aims Japan is seeking to prosper in her present adventure. But among them must be reckoned a genuine zeal for sanitation. There is more pathos than bathos or hypocrisy in the wistful repetition of the word "paradise" as applied to the new El Dorado of Japanese dreams. But even the most plausible motive can be vitiated by the wrong methods. The occupation of Manchuria was destined from the first to promote, not order, but disorder: as certain to follow intervention as night the day. On the night of September 18 a rail was blown up on the S.M.R. and vague shadows were seen flitting away by the Japanese patrol in charge of the section. It did not cause any serious dislocation of traffic. Indeed there appears to have been in one or two cases an extraordinarily intelligent anticipation of the "unprecedented" outrage. In less than twelve hours Mukden city, the Government, military barracks, Arsenal, Aerodrome and widely scattered centres of importance were occupied by the Japanese army and plain clothes men who sprang as it were out of the very ground. In 24 hours Chinese authority throughout the spinal section of Manchuria was non-existent. Manchukuo will celebrate September 18—not its inaugural day six months later—as its birthday: a significant choice indeed, but an honour to which General Honjo is entitled.

The logical motive of so fantastic a punishment of a trifling act of disorder—regarded in isolation—is the establishment of order. In this the Expedition has hitherto most conspicuously failed. Never in all its history has that holy of holies, the S.M.R. Zone, been subjected to such indignities as in the past

few months. Delightful spots like Tangkangtzu, far from the madding crowd, have been thrown into panic and disorder by daring raids. The railway service—in which the Japanese take such thoroughly justifiable pride—has on numerous occasions been seriously dislocated. Dairen and Port Arthur alone sleep securely. Mukden, Anshan, Fushun, Kaiyuan and other great centres have been thrown into confusion. August personages like the heads of the Administrations and the President of the S.M.R. have been held up owing to railway disturbances along the line and have more than once had very narrow escapes. Now the more or less idyllic placidity of Newchwang has been shattered by an outrage without modern precedent. The first necessity of our world is order—order in all things. There can be little sympathy with disorder, whether it emanates from mistaken zeal on the part of the policeman or from men whose anchorages have been torn up by catastrophe. We simply recite the facts. They carry their own condemnation, and they conform to the unvarying experience of foreign intervention.

After a year of herculean labours by the Japanese Army, insecurity in Manchuria is infinitely greater to-day than at any period in its modern history. It is not a fact to be gloated over. But there it is. The recent raids on Mukden caused something like consternation in Japan, and the reaction provoked the War Minister to address the Diet on the banditry situation. He did rebuke alarmists and tried to minimise the attacks, but he was not over-cheerful and admitted that in South Manchuria alone there were no fewer than 150,000 bandits, organised in five armies. He made much of the death of Ma Chan-shan, but what is one man among so many? Mukden and its vicinity, he said, have been attacked on 20 occasions. Kirin and its environs had been similarly repeatedly attacked.

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The General Staff, he added, was still deliberating on the problem. Its difficulty cannot be gainsaid. These columns of so-called bandits are evidently extremely mobile. They are bold men. They know the countryside intimately. They operate for the most part in friendly territory, for it is obvious that their depredations are directed more and more against the invader instead of their own people.

It matters little what they are called. In their ranks, doubtless, are represented every grade of morality and every aspect of purpose, from the most abandoned criminals to ardent young patriots eager for martyrdom. The form of warfare which they conduct is one indigenous to this country, having age-long sanctions, traditions, and forms of organization. No country has such a long record of guerilla warfare of the bandit type. It is in the very blood, and is waged with unparalleled experience behind it. No barracks-bred recruits can compete with it, for it is the antithesis in spirit and form to the rigidity of modern professional arms. It is frequently stated in Japanese statements, reporting skirmishes or desperate engagements between the troops and the irregulars, that the latter left so many hundred bodies while the Japanese casualties were one killed and two wounded, or figures of similar disparity.

These are not to be relied on. The shoot-and-run tactics of the irregulars, their espionage system which nothing can combat since they operate among their own people, their selection of weak points for surprise attacks, and the capacity to ambush isolated parties make it virtually certain that this warfare is at least a man-for-man affair, and that the toll among the harassed and over-worked Japanese forces is far heavier than admitted. That, again, is not a matter for rejoicing. These clashes, in any case, are little more than spindrift in a

turbulent sea, signs of the tumult of great issues but not the issues themselves.

The power of economics is in the end irresistible. To the extent that the events foster the economic prosperity of the territory and therefore of Japan, where the real economic crisis in the Far East resides, to that extent will the bargaining power represented by the territorial occupation be increased when the shouting and tumult die down and China and Japan discuss their differences, as some time they must, in the relative quietude of the conference table. To the extent that intervention fosters disorder and destroys economic prosperity, to that extent will Manchukuo's fortunes and those of her foster-parent suffer. Here is a test where mere words, accusations, exculpations, Treaties, rights, privileges and what not are of no avail. The aim is prosperity, peace, security, contentment. These are the Captains to be served. If they are not, disillusionment and disaster ensue.

It was a very common view, cherished until very recently, but a view to which we have never subscribed and to which nobody ready to learn from the lessons of history could possibly subscribe, that a couple of divisions of well-equipped foreign troops could walk through this country and bring it to heel and to order. Manchuria's present position is the answer to that phantasy. It would almost seem as if, to the resistance of the people of the soil to the invader—a phenomenon far older than Boadicea and the Britons' resistance to the Romans—Providence had deliberately added the power of nature. The unprecedented floods have laid waste the richest granary of the Far East, and destroyed enormous accumulations of cereals and beans. North Manchuria, not so long ago one of the fattest lands on earth, has been converted overnight into a territory of destitution and desolation.

Again, here is no cause for rejoicing. There is, however, cause to think, and to think furiously. Poverty has always been the primary cause of disorder in this country, for it has seldom been riven by those political and religious divisions which have been the characteristic of Western civilization. In these things Chinese civilization was relatively static. The scholars might argue, contend and confute, even fight battles over State Socialism and Individualism, but the way of life of the common people remained set, and it is from them that bandits were produced. We have never shared the illusions with which the Japanese have tried to comfort themselves in regard to the speedy return of peace and prosperity to Manchuria. Whatever may happen in Geneva or Washington, in Nanking or Sianfu, in the way of political developments, the value and bargaining power of the occupation of Manchuria, apart from the stability or popularity of "Manchukuo," will depend largely on whether the prosperity and welfare of the inhabitants are advanced or destroyed.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

October 13, 1932.

~~SECRET~~
SECRET

London's despatch No. 400 of October 3, 1932, summarizes a series of articles entitled "The Japanese Adventure" which appeared in the MANCHESTER GUARDIAN. The summary in the despatch is brief and should be read.

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UNITED STATES OF AMERICA

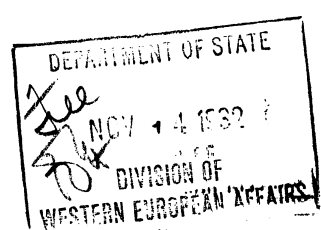
London, October 3, 1932.

No. 400

SUBJECT: Sino-Japanese Conflict.

793.94

OCT 12 1932



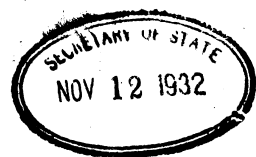
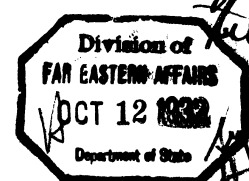
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SECRETARY'S OFFICE

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The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to enclose clippings from the MANCHESTER
1,2/ GUARDIAN of September 30 and October 1, 1932, containing a series
of articles entitled "The Japanese Adventure".

The first article outlines briefly the origin of the
present Sino-Japanese dispute, the financial and economic
crisis in Japan, and the principles involved in the dispute.
The second seeks to analyze the reasons for the progressively
aggressive policy of the Japanese Government, and proceeds to
a relation of the steps taken by the United States to cooperate
with the League. The writer deplores the lack of any definite
policy by Great Britain, and concludes with the following
critique/

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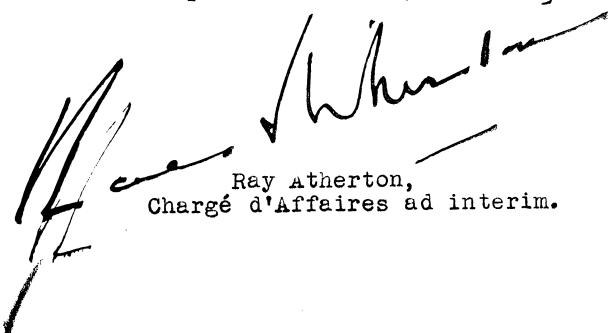
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critique of Sir John Simon:

"Sir John Simon's attitude to the Covenant has throughout been not that of a statesman honouring solemn treaty obligations and pinning his faith to a new world order * * * but that of a lawyer picking holes in a contract in the interests of a shady client."

Respectfully yours,



Ray Atherton,
Chargé d'Affaires ad interim.

Enclosures:

1. Article from the MANCHESTER GUARDIAN, September 30, 1932.
2. " " " " " " October 1, 1932.

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PAPER MANCHESTER GUARDIAN NUMBER

CITY LONDON DATE Sept. 30, 1932.

6 copies

THE JAPANESE ADVENTURE

I.—Rake's Progress

MANCHURIA FACING RUIN

The Lytton Inquiry

[The supreme crisis in the Sino-Japanese conflict will be upon us when the Lytton Commission's report to the Assembly and Council of the League of Nations is published at the week-end. This crisis may be decisive for the world's hope of disarmament and peace. In the following article and one which will succeed it our special correspondent has set out to show where, with Japan driving, we have arrived.]

(From a Special Correspondent.)

Last September the Japanese army in Manchuria attacked and seized Mukden and a number of other towns along the South Manchurian Railway, and from these points as a base rapidly occupied the whole of Manchuria, setting up local "committees of order and safety" in the occupied areas, which were gradually joined together into provincial Governments. Once the occupation of the three Manchurian provinces of China had become effective the Japanese Government kidnapped Mr. Henry Pu-yi, the son of the former Emperor, who was living in the Japanese Concession at Tientsin, conveyed him to Dairen on a destroyer, and then made him the dictator of the so-called Manchukuo, or independent State of Manchuria, which is notoriously a creation of the Japanese Army of Occupation.

The extent to which Japan is responsible for the maintenance of this puppet State has been indicated by the Lytton Commission in a preliminary report, which also makes it clear that the Japanese, although they have overrun Manchuria, are far from having conquered the country, for there are some 140,000 men in arms against the Japanese Army of Occupation (80,000), and, indeed, the whole population bitterly hates the Japanese and indulges in guerrilla warfare and sabotage wherever and whenever possible. As a result of the disorder and fighting the crops have not been sown, and Manchuria, in the past a food-exporting country, is now a country faced with starvation unless the Japanese, who are in control, import large quantities of food.

There have been disastrous floods in the north, leading to a great cholera epidemic; banditry is rife; and altogether the suffering and confusion in China's once prosperous north-eastern provinces beggar description.

JAPAN'S FINANCIAL FLIGHT

In Japan itself the army and navy are in full control, though operating through a so-called National Government, and their policy is avowedly to detach Manchuria from China and set it up as an independent State under Japanese protection, just as after the Sino-Japanese War in 1894 Japan

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JAPAN'S FINANCIAL PLIGHT

In Japan itself the army and navy are in full control, though operating through a so-called National Government, and their policy is avowedly to detach Manchuria from China and set it up as an independent State under Japanese protection, just as after the Sino-Japanese War in 1894 Japan detached Korea from China and set it up as an independent empire whose defence and independence were guaranteed by Japan.

The economic and financial crisis in Japan is appalling. According to Ministry of Finance publications, the total revenue from taxes for the Budget year 1931-2 was 537,000,000 yen; this was 60,000,000 yen less than the previous year. Nevertheless the Budget for the coming year has been increased to 1,780,000,000 yen. The expected huge Budget deficit is to be covered by loans subscribed by the State Bank and the Deposit Office of the Ministry of Finance. These loans, which are a form of inflation, will almost certainly fail to cover the deficit. The trade balance shows an excess of imports over exports of 253,000,000 yen, not counting the huge foreign purchases of the Ministries for War and the Navy, which are not registered by the Customs. Interest and sinking fund on Government and private foreign loans for 1932 amount to 200,000,000 yen, and the gold reserve, which was 2,178,000,000 yen in 1920, had dropped to 820,000,000 yen on the eve of the Manchurian adventure, and in January, 1932, was only 430,000,000 yen. The yen, which is off the gold basis, is much less than its par value and sinking, and it is generally expected that Japan will be unable to meet her foreign obligations and will have to ask for a moratorium in view of the fact that she cannot raise any new foreign loans.

HER DESPERATE PEASANTRY

The great bulk of Japan's population are farmers and tenants, and of these about 70 per cent cultivate less than one hectare (two and a half acres) each. Landowners and usurers exact an extortionate rent of 50 per cent or more of the total rice crop; the market price of rice has fallen to below the cost of production, and that of raw silk, the other staple product, was last spring only one-third of the cost of production. The present indebtedness of the peasantry is about 6,500,000,000 yen, at an annual interest of 10 to 40 per cent. The interest on this indebtedness is as great as the value of the whole annual production of Japanese agriculture.

Before 1931—to-day the situation is much worse—not less than half of the country's Budget went to preparations for war and interest on war loans, while industries of military importance (pig iron, steel, shipping and ship-building, chemicals, &c.) are freed from taxation and heavily subsidised. Ultimately the resources necessary for this policy are derived through direct and indirect taxation of the peasantry.

It is no wonder that in whole provinces the peasants are living on grass roots, cattle feed, and fish entrails normally used for fertiliser, that they are selling their daughters to houses of prostitution, and even starving to death in large numbers. It is also no wonder that there are constant riots and fights between small farmers and tenants on the one hand and usurers and landowners on the other, that rent strikes on a large scale are spreading over the country, and that the Government and Parliament are at their wits' end how to raise money for relieving the countryside.

HER TREATY EMBARRASMENTS

These are the conditions in Manchuria and Japan to-day, and they are conditions that cannot but become aggravated so long as the Japanese militarist

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THE JAPANESE ADVENTURE

II.—Timid Powers

SIR JOHN SIMON'S "POLICY"

Covenant Abandoned

(From a Special Correspondent.)

When the Japanese army ran amuck last September it took its own Government as well as the world by surprise. The Liberal Wakatsuki-Shidehara Government had initiated at Washington the policy of friendship with China and co-operation with the West for peace and disarmament. This Government was fully conscious of its obligations under the Washington Nine-Power Treaty, which it had helped to frame, and under the Covenant of the League. It was keenly sensitive to world public opinion and apprehensive of serious trouble with the Great Powers as a result of the army's outbreak. At the same time, following Japanese tradition, it could not disavow its army before the world.

The first impulse of the League Council was to act on the precedents already established by the League by asking Japan to withdraw her troops and re-establish the status quo and to accept an impartial inquiry on the spot as a preliminary to discussing the merits of the issue. This was what the Chinese demanded, and the Council found the Japanese wavering, under the impression that the demand would be endorsed not only by the League Council but by the United States. To the surprise and disappointment of the Council, Mr. Stimson then declared that he preferred to trust Baron Shidehara, who, if not pressed and made to lose face, would control his own militarists, but might fall a victim to nationalist resentment if the League tried to impose a committee of inquiry on Japan. The Council immediately fell in with this view, and thus made what has since been generally recognised, both by the State Department and in Geneva, to be a big mistake, depriving the Japanese moderates of their last argument against the militarists and giving the latter a sense of unbounded power and unique opportunity.

A month later the situation had got proportionately worse. The Council at its October meeting, after considerable hesitation and attempts at an almost wholly pro-Japanese solution, which Tokio rejected, produced a resolution requesting the Japanese troops to withdraw to the railway zone within three and a half weeks, appointing neutral observers to follow the process of withdrawal by the Japanese and taking over by the Chinese, and providing that there should be no negotiations on the merits of the dispute until withdrawal had become an accomplished fact.

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proportionately worse. The Council at its October meeting, after considerable hesitation and attempts at an almost wholly pro-Japanese solution, which Tokio rejected, produced a resolution requesting the Japanese troops to withdraw to the railway zone within three and a half weeks, appointing neutral observers to follow the process of withdrawal by the Japanese and taking over by the Chinese, and providing that there should be no negotiations on the merits of the dispute until withdrawal had become an accomplished fact. This resolution was accepted by the Chinese and rejected by the Japanese.

COUNCIL'S LOST OPPORTUNITY

The United States maintained a cryptic silence for nearly three weeks, and then let it be known that it was not in favour of the time-limit but supported the rest of the resolution. In the subsequently published diplomatic correspondence between Japan and the United States there is a dispatch dated November 5 communicating to the Tokio Government the strong opinion of the United States that Japanese troops should be withdrawn before there were any negotiations on the merits of the dispute, since otherwise Japan would be open to the suspicion of seeking a settlement under military pressure.

When the Council met in Paris, therefore, in November it could have maintained the main lines of its October resolution, except for the fixed time-limit, with the support of the United States. Unfortunately the members of the Council, and particularly the all-important British member, were in an abject mood, and the United States was represented by General Dawes, who was, unhappily, less interested in a settlement of the Sino-Japanese conflict than in not spoiling his chances as a Republican Presidential candidate by too successful co-operation with the League. Instead of facing the issue the Council produced a resolution appointing a Commission of Inquiry with a vague mandate, but specifically excluding from its competence any "interference" with the military situation or direct negotiations if such took place, and leaving the Japanese a free hand to take such military action as they considered necessary for their "security" and the pursuit of bandits. Small wonder that Japanese military policy once more took heart.

BRITAIN'S LOST OPPORTUNITY

Meanwhile in Japan the moderate Minseito Government had disappeared, its Finance Minister had been assassinated, and the "strong" Conservative Government was also upset and its Prime Minister murdered by young officers as a preliminary to the army and navy taking full control under the camouflage of a National Government. At the Paris Council meeting M. Briand, as President of the Council, had promised the Chinese delegate that the Commission of Inquiry would be in Manchuria by the third week of January. The Commission reached Manchuria only late in April. By this time the Japanese had kidnapped Mr. Henri Pu-Yi and proclaimed the State of Manchukuo.

On January 7 a Note from the United States had in effect warned Japan that no de facto situation or treaty contrary to the obligations of the Paris Pact or to the Nine-Power Treaty would be recognised by the United States. Washington made it clear that it hoped other Governments, and particularly Great Britain, would follow suit. Instead, on January 12 the British press published a Foreign Office communiqué stating that at the Paris Council meeting the Japanese delegate had promised Sir John Simon that Japan would respect the policy of the open door in Manchuria and that therefore the British Government saw no reason for endorsing the Stimson Note. As the British Government at Paris had been supposed to be putting pressure on Japan to give up the Chinese territory she had illegally seized, and as Great Britain as well

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DOCUMENT FILE

NOTE

SEE 893.00 P. R. Tientsin/51 FOR Despatch # 187.

FROM Tientsin (Atcheson) DATED September 3, 1932.
 TO NAME 1-1127 670

REGARDING: Sino-Japanese hostilities in Jehol.
 Recrudescence of -- contributed to
 the relief felt in Chinese and foreign
 circles when the Young Marshal's resig-
 nation seemed likely to remove the threat
 of an extensive Japanese occupation inside
 the Great Wall.

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

SINO-JAPANESE HOSTILITIES IN JEHOL

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 The recrudescence of hostilities in Jehol contributed to the relief felt here in Chinese and foreign circles when the Young Marshal's resignation seemed likely to remove, for a while at least, the threat of an extensive Japanese occupation inside the Great Wall. The clash near Nanling on August 20th was looked upon here as not only another step toward the inclusion of Jehol Province in the new Manchuria but also as possibly a change of tactics against the volunteers. There had been every indication in the Japanese press services of a determination to include the province within the area claimed by the new state and the dubious nature of the Ishimoto incident inclined many to the opinion that it was little more than an excuse to invest the province when the Japanese should decide the time propitious for such an adventure. The occupation of Jehol, furthermore, would if successful effectively cut off the assistance which had been reaching the volunteers from North China (the exits at Shanhaikuan and vicinity had already been fairly well closed) and the propinquity of Peiping would enable the Japanese to

exert

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

DOCUMENT FILE

NOTE

SEE 893.00-P. R. Tsinan/52 FOR #5

FROM Tsinan (Stevens) DATED Sept. 7, 1932
 INDEX NAME 1-1127 ***

REGARDING: the Sino-Japanese situation at Tsinan during the month
 of August, 1932.

dew

793.94/5588

5-5-88

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

SINO-JAPANESE SITUATION.-

During the latter half of the month a number of disconcerting rumors in regard to Sino-Japanese relations have kept everyone in a state of expectancy.

Credence has been given by members of the local Government to a rumor emanating from Nanking exposing a Japanese plan to invest Jehol before the end of September in order to threaten Peiping and thus create a distraction which would prevent Chinese troops from supporting the volunteers in Manchuria

while

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

- 6 -

while Japan rounds out the western boundary of Manchukuo.

In this same connection, the Japanese Consul General here, Mr. Nishida, who has the reputation of being well informed of Japanese intentions, is credited with the statement that "Unless sooner provoked, Japan will not be ready before January to consolidate her position on the mainland." Although Mr. Nishida did not elucidate his statement, it has been presumed that something rather bellicose was implied by the word "consolidate." One can surmise that the provocation alluded to is an intensification of the boycott or a Chinese punitive expedition to Manchukuo when recognition is given the puppet state.

Judging from the unusual number of military conferences that have taken place in Tsinan lately between General Han and his subordinates, as well as from the constant shifting of military units in the province, something active is brewing on the Chinese side. Although Han has several times proclaimed his readiness to obey Nanking in coping with the Japanese menace, it is as yet too early to predict with certainty the part Shantung must play in any joint move that develops. Despite the secrecy being maintained by those who are in a position to know the inside of things, Han is known to have vigorously and successfully opposed a suggestion, made by Chang and others during the Peiping conference, to transfer a portion of the Third Route Army to Jehol in support of the forces under T'ang Yu-lin (湯玉麟). It now seems likely that

the Shantung

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

- 7 -

the Shantung Chairman has been authorized to keep his forces intact for the defense of his province in case the Japanese attempt a westward thrust from this quarter towards the Peiping-Tientsin area.

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 893.114 Narcotics/405 FOR # 1723

FROM China (Johnson) DATED Sept. 9, 1932.
 TO _____ NAME _____ 1-1127 o p s

REGARDING:

Upton Close (Joseph Washington Hall): Transmits a memorandum of conversation with -, the American author and lecturer, upon his return from a trip to Jehol.

793.94 / 5589

5-5-69

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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 D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00 P. R. Shanghai/49 FOR Despatch # 8490.

FROM Shanghai (Joaselyn) DATED September 9, 1932.
TO NAME 1-1127 otc

REGARDING: Local Sino-Japanese situation began to take
on a more serious aspect about the middle
of July and relations between the nationals
of the two countries during August were not
improved.

hs

793.94/5590
4-5-90

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

DOCUMENT FILE

NOTE

SEE 893.00 P. R. Manking/85 FOR Despatch # D-835.
FROM Manking (Vincent) DATED September 10, 1932.
TO _____ NAME _____ 1-1127 0 P O

REGARDING:

Sino-Japanese relations.

At least four protests have been lodged with
the Japanese Government by the Chinese Foreign
Office during the month of August.

hs

793.94/5591

5-5-91

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

793.94

(b) Relations with Japan. - The Foreign Office announced that at least four protests had been lodged with the Japanese Government during the month. On August 2 Chiang Tso-pin (蔣作賓) protested against the appointment of General Muto as "Ambassador Extraordinary and Plenipotentiary to Manchukuo, Governor-General of Kwantung and Commander of the Kwantung Garrison"; on August 15, he protested against the formation of the Japanese Post Offices in Tsingtao and Tientsin and against the Japanese notification to the International Telegraph Union that all messages between foreign countries and Manchukuo may thenceforth be transmitted by way of Japan; and on August 24 he renewed his former protest against the Japanese invasion of Jehol.

On

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

cib

This telegram must be
closely paraphrased be-
fore being communicated
to anyone.

FROM

Peiping

Dated October 13, 1932.

Recd 5:24 a.m.

Secretary of State
Washington.

DEPARTMENT OF STATE
RECEIVED

OCT 13 1932

DIVISION OF



793.94

1185, October 13, 4 p.m.

793.94/5533

Department's written instruction 856, September 2,
reporting conversation between Castle and Italian Ambassador
on August 25th.

With reference to final paragraph of Castle's memorandum
I have discussed matter with Military Attache and he has made
discreet inquiries among all other Military Attaches who
participated in discussions regarding neutralization of
Peiping and he reports that no repeat no such proposal was
made by the head of the Japanese Legation Guard to any of
the various Military Attaches on that subject.

JOHNSON

CIB WP

793.94/5592

OCT 14 1932

FILED

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

October 19, 1932.

~~ADM:~~
~~SEC:~~

Stuttgart's despatch No. 766 of September 30, 1932, reports that the Consul General has found that, practically without exception, government officials, leading business men, and the public in general side with Japan and sympathize with the use of force in Manchuria. The legal aspect of the Manchuria situation does not appear to interest them.

There is enclosed with the despatch an article published in the September 24 issue of the "Neue Badische Landes-Zeitung" entitled "Guns on Hawaii", which states that Senator Reed was sent by the President to start a campaign in Paris and London against Japan. America's consent to France's negative reply to Germany's claim to equality of rights is to be the compensation for France's approval of America's policy toward Japan. Manchuria has become a world problem which threatens to cast its spell on German politics and "the thunder across the sea roars loud and dissonant into German ears".

BA
LES:CLS

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

No. 766

AMERICAN CONSULATE,
Stuttgart, Germany.

September 30, 1932.

793.94

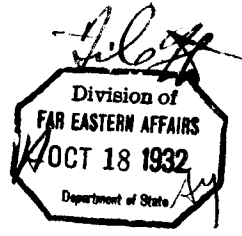
OCT 17 32

SUBJECT: LOCAL ATTITUDE TOWARDS THE SINO-JAPANESE
CONTROVERSY IN MANCHURIA.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.



F/0
793.94/5593

SIR:

- 1/ I have the honor to transmit herewith a clipping
in duplicate of an article entitled "Guns on Hawaii"
published in the September 24 issue of the "Neue Badi-
sche Landes-Zeitung" of Mannheim, Baden. The writer
is stated to be one of the editors of the "Neue Badi-
sche Landes-Zeitung". A translation is also enclosed.
- 2/

The article is transmitted as being typically
representative of the opinion which I have met here
regarding the hostilities in which Japanese military
forces have taken part on Chinese territory since
September 1931. I have found that practically with-
out exception government officials, leading business-
men and the public in general side with Japan in the
controversy which the Chinese have with that country,
and this feeling appears to be accompanied by sympathy
for the use of force by the Japanese in Manchuria. At

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OCT 24 1932

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

- 2 -

the same time there appears to be lack of interest about the point of the legality of military intervention on Chinese territory when viewed in the light of obligations incurred under the Pact of Paris.

Respectfully yours,



Leon Dominian,
American Consul General in charge.

Enclosures:

- 1) Press clipping in duplicate,
- 2) Translation of press clipping
in quintuplicate.

Despatch in quintuplicate
Copy to Embassy, Berlin
Copy to Military Attaché, Berlin
Copy to Consulate General, Berlin

711
LD-VG

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

Enclosure No. 1
to Despatch No. 766
of American Consulate,
Stuttgart, Germany,
dated September 30, 1932.

NEUE BADISCHE LANDES-ZEITUNG
Mannheim, Germany.

September 24, 1932.

in die deutschen Ehren.
und der Donner überm Meer schallt laut und mitschwingend
auch die deutsche Flotte in feinen Mann zu schlagen droht.
mehr. Die Wankbühnen ist zum Selbstverleumdung geworden, das
keine eng umschlossenen Ringe mehr: es gibt keine Conbertragen
dämmern in der hohen Flotte ist angeordnet: es gibt
land sich mit der Ringe Ringe beghängt. Eine Despatchen-
genau, daß man auch in der Wankbühnen und in Deutsch-
st, sehr ernsthaft und mit treuherzigem Herzen prüfen. Wank
am Laut d'Oran bieten Mann, wenn er vorgetragen worden
Sapam sind nicht; aber sie sind nicht unlosbar und man ist
belegt hat, liegt darin: die Wankbühnen sind Wankbühnen und
tons und Senator Ringe sein Wankbühnen sein. Ob er Wankbühnen
Beitung
d Handelsblatt
sonst. 2.10 M.
Preis 4.- M.
-6
Samstag, 24. September 1932
Schweigenden Kanonen von Hawaii. Aus den westlichen

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

Enclosure No. 1
 to Despatch No. 766
 of American Consulate,
 Stuttgart, Germany,
 dated September 30, 1932.

NEUE BADIS
 Mannh

ber 24, 1932.

Kanonen auf Hawaii

Von

Dr. Alfred Rapp

Die Gleichberechtigung Deutschlands und die Selbstständigkeit der Mandschurei stehen für den gesunden Menschenverstand in keiner sichtbaren Beziehung; für den Diplomaten-Verstand, der nie ein Knüllingsstrüber des gesunden Menschenverstandes gewesen ist, beginnen sich diese beiden Probleme anscheinend zu verquicken und dem amerikanischen Senator Reed scheint das Verdienst zu gebühren, ein diplomatisches „Junktim“, eine Wechselbeziehung zwischen dem deutschen und dem mandschurischen Problem bei seinen Unterredungen in Paris und London geschaffen zu haben. Der Senator Reed erfreut sich nicht der Weltpopularität seines Kollegen Vorah; aber er gilt in den Außenministerien aller Länder als ein gewichtigerer, weil schweigsamerer und mächtigerer Mann. Vorstehender der republikanischen Partei, der Partei des Präsidenten; nicht Freund, aber Berater und auch Beobachter und Bewacher Hoovers — diese Stellung ist von internationalem Gewicht, auch wenn sie keine diplomatische oder konsularische Etikette trägt, und wenn ihr Inhaber die Außenminister Frankreichs und Englands besucht, so wissen die Minister, daß sie sich für die neugierigen Augen der Welt mit einem interessierten Privatmann und Parlamentarier, aber für die noch neugierigeren Augen und Ohren der internationalen Diplomatie mit einem getarnten Botschafter Hoovers unterhalten.

Die amerikanische Politik bevorzugt seit Wilsons Tannae in der europäischen Politik das System der „Beobachter“ und Privatgesandten, die ohne offizielles Gepräge und ohne offizielle Verantwortung in Europa erscheinen und unverbindliche Gespräche führen; aber dieser Schein trägt keinen europäischen Staatsmann und die Mission Reeds in Europa wurde von ihrem ersten Tag an in allen europäischen Hauptstädten als eine geheime diplomatische Mission Hoovers betrachtet und bewertet. Geheimnis blieb nur das Thema der Mission und trotz aller Dementis des Weißen Hauses hielt man in Frankreich, England und Deutschland Reed für einen „Schulden-Botschafter“, der mit Herriot und Simon Gespräche über Abrüstung und Kriegsschulden führen würde. Es ist noch nicht bekannt geworden, ob diese Annahme ein völliger Irrtum war; aber es wird sachte bekannt, daß Senator Reed mit größtem Nachdruck und Eifer von einem wesentlich anderen Thema gesprochen hat, und am Quai d'Orsay und im Foreign office mußten für die Abrüstungsexperten die Ostasienspezialisten als Sekundanten und Adjutanten ihrer Minister im Gespräch mit dem Amerikaner eintreten.

Schlacht gesagt, Senator Reed eröffnete in Paris und London eine Kampagne gegen Japan und gab der dringlichen Erwartung sicherlich berebten Ausdruck, daß Frankreich und England in die Front gegen die japanische Mandschureipolitik einrücken werden, die die Vereinigten Staaten zu bilden im Begriffe sind. Das Weiße Haus blickt nach Westen und der geheime Außenminister Reed sucht die Rückenbedeckung und Reserve für die Schlachtreihe zu formieren, die der offizielle Außenminister Stimson in der pazifischen Politik bildet, und deren sichtbarster Ausdruck die in Hawaii konzentrierte amerikanische Kriegsslotte ist. Manöver seien der Anlaß zu dieser ungewöhnlichen Flottenparade in Japans Angesicht gewesen, hat man in Washington versichert; aber es ergibt sich immer deutlicher, daß die Manöver kein Anlaß, nur ein Vorwand gewesen sind, und in Tokio versteht man auch die Sprache der schweigenden Kanonen von Hawaii. An den westlichen

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

Enclosure No. 2
to Despatch No. 766
of American Consulate,
Stuttgart, Germany,
dated September 30, 1932.

NEUE BADISCHE LANDES-ZEITUNG
Mannheim, Germany.

September 24, 1932.

T r a n s l a t i o n .

GUNS ON HAWAII

by

Dr. Alfred Rapp

From the standpoint of sound common-sense there is no visible connection between equality of rights for Germany and the independence of Manchuria; it seems, however, that to the diplomatic mind which was never a twin brother of sound common-sense these two problems are beginning to amalgamate and it seems that the American Senator Reed is to be credited for having created a diplomatic "junction", a mutual relation between the German and the Manchurian problem during his conferences in Paris and London. Senator Reed does not enjoy the world-popularity of his colleague Borah; but he is considered in the foreign offices of all countries as a more weighty because more taciturn and more powerful man. President of the Republican party, the party of the President; not a friend, but an adviser and also an observer of and watch over Hoover - this position is of international importance, even though it does not bear any diplomatic or bureaucratic etiquette, and when the holder of this position pays visits to the foreign ministers of France and England, these ministers know that to the inquisitive eyes of the world they are talking to an interesting private gentleman and parliamentarian but to the still more inquisitive eyes and ears of international diplomacy they are talking to a disguised messenger of Hoover.

Since Wilson's Cananea the American policy favors in European politics the system of "observers" and private ambassadors who appear in Europe without an official character and without official responsibility and carry on conversations that are not binding; this pretence, however, does not deceive any European statesman and Mr. Reed's mission in Europe was from its very beginning considered and valued in all European capitals as a secret diplomatic mission of Hoover. Only the subject of the mission remained a secret and in spite of all denials of the White House Reed was considered in France, England and Germany as a "debt ambassador" who would carry on conversations with

Herriot

- 2 -

Herriot and Simon on disarmament and war debts. It is not yet known whether this assumption was a complete error; but it is gradually becoming known that Senator Reed spoke on an entirely different subject with great emphasis and zeal, and at the Quai d'Orsay and the Foreign Office the Far East specialists had to step in for the disarmament experts as seconds and adjutants of their ministers in conversations with the American.

In plain words, Senator Reed started a campaign in Paris and London against Japan and certainly gave eloquent expression to the urgent expectation that France and England would join the front against Japanese policy in Manchuria which front the United States are on the point of forming. The White House is looking to the west and the privy Foreign Minister Reed is trying to form the rear-guard and reserve for the line of battle which the official Foreign Minister Stimson represents in pacific policy, and the most visible expression of which is the American navy concentrated in Hawaii. It was assured in Washington that manoeuvres were the motive for this unusual display of the navy in the face of Japan; but it appears more and more clearly that the manoeuvres were not a motive but a pretext, and in Tokyo one understands the language of the silent guns on Hawaii. On the western and eastern coasts of the Pacific the realization is gaining strength that the great adversaries of Japanese expansion are not the Soviets but the Americans, and in Japan the admirals are preparing to relieve the generals in the foremost front.

Tokyo has concluded a cool but firm truce with Moscow; the "recognition" of the new Manchurian state by Japan, understood by the whole world to be a proclamation of Japanese sovereignty over Manchuria, has met with an indirect ratification on the part of Russia inasmuch as the latter admitted Manchurian consuls to Russian towns; in America it aroused intense opposition. Stimson assured his Americans and the world that the United States would not only ignore but would combat this recognition, and American diplomacy has started a great offensive against Japan which brought Reed to Paris and London.

It is known in America that the eagerness of England and France to declare themselves against Japan is not too great; one has not forgotten that Japan's Shanghai Expedition was accompanied by rumors of secret French protection and one seems to have resolved to pay a secret political price for the confederacy of France, above all, which confederacy is demanded in public in the name of international morals and of the

League

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

- 3 -

League of Nations.

It is a command of international diplomacy that this price is to be paid, if possible, at the expense of a third party, and according to some reports this third party which is to bear the costs of a Franco-American agreement against Japan is to be Germany. America's consent to France's negative reply to Germany's claim to equality of rights is to be the compensation for France's approval of a great international conference which America conceives as a tribunal against Japan. The juridical basis of this political "junctim" is shaping itself in the thesis of joint advocacy of the interests of the League of Nations, which would be declared as equally threatened by Japan's Manchurian policy and Germany's disarmament claims. This is said to be Washington's new gospel and Senator Reed its prophet. Whether he has converted Herriot is uncertain; the ties between France and Japan are close; but they are not indissoluble, and one will examine this plan, when it is submitted, very seriously and gladly at the Quai d'Orsay. Sufficient reason for the Wilhelmstrasse and Germany to pay attention to Reed's journey. A dawn of specialists is apparent in high politics; there are no more closely encompassed circles; there are no more separate questions. Manchuria has become a world problem which threatens to cast its spell on German politics too, and the thunder across the sea roars loud and dissonant into German ears.

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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.

Secretary of State,
Washington.

1199, October 18, 1 p. m.

Department's 338, October 4, 1 p. m. / 5573

One. It was and is our collective view that it

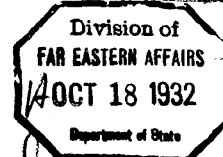
would be impracticable to propose neutralization of Peiping and environs if and when hostilities become imminent for the reason that it would then be too late,

Two. For this reason it was our collective view, supported by that of our military attaches, that such a proposal to be successful would have to be made the subject of prior negotiation.

Three. Having reached this conclusion we considered question of how and when negotiations might be initiated. We concluded that (a) in the absence of immediate threat; (b) our belief (supported by opinion of military attaches that Japanese are loath to confide their military plans in advance, proposal for a change by prior negotiations was out of the question.

Four. With reference to paragraph three of the

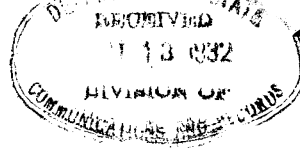
Department's



Peiping
FROM

Dated October 18, 1932

Rec'd 6:47



793.94
note
893.102 Peiping

793.94/5594

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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 D. Gustafson NARS, Date 12-18-75

MET

2-#1199 from Peiping via N.R.,
Oct. 18, 1 p. m.

Department's telegram under reference:

(a) - I have no reason to doubt that Chinese civilian authorities would welcome a proposal for the neutralization of the Peiping area if such proposal were made. Neutralization of the Peiping area would naturally involve neutralization of communications system which centers at Peiping and I have no means of knowing what attitude Chinese military would take towards this proposal. Railways centering at Peiping would become extremely valuable to military should operations on a large scale commence. We have not cared to approach Chinese in this matter lest we create unnecessary panic locally;

(b) - I have discussed whole problem with Neville who desires to be quoted as follows:

"I am inclined to think that there is no immediate prospect of major Japanese military activities in the Peiping area. At the same time I do not think it would be possible in Peiping to obtain any authoritative statement from the Japanese as to their military plans. Such information could be given only by the general staff in Tokyo.

Plans for operations which may be worked out by the general staff are treated by Japanese army as extremely

confidential

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

MET

3-#1199 from Peiping via N.R.,
Oct. 18, 1 p. m.

confidential and it will probably be impossible to obtain any assurance that there would be no military operations in Peiping area or in the event that such military operations should take place, that there would be any region exempt from operations by such Japanese forces as might be placed there".

Five. Antecedent of "we" is "interested powers" represented at Tokyo and here.

JOHNSON

WSB-CSB

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



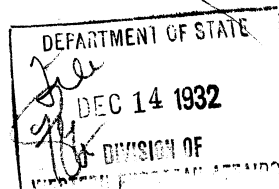
EMBASSY OF THE
UNITED STATES OF AMERICA

Return to F/E
WE

No. *412*

London, October 11, 1932.

SUBJECT: Proposed Steps to be Taken in Event of Sino-Japanese Hostilities in Neighborhood of Peking.



F/HS

793.94/5595

FOR DISTRIBUTION - CHECK		Yes	No
To the Field			
In U. S. A.			

793.94
note
893.102 Peking



The Honorable

The Secretary of State

Washington, D. C.

Sir:

I have the honor to refer to the Department's
793.94/5555
 telegraphic instruction No. 245, September 16, 9 p. m.,
 in which it was set forth that the Department of State
 would welcome the views of Sir John Simon in the matter
 of proposed steps to be taken in the event of Sino-
 Japanese hostilities in the neighborhood of Peking, and
 to forward herewith a copy of a Foreign Office memorandum,
 which also makes reference to the memorandum given the
 British

DEC 15 1932

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

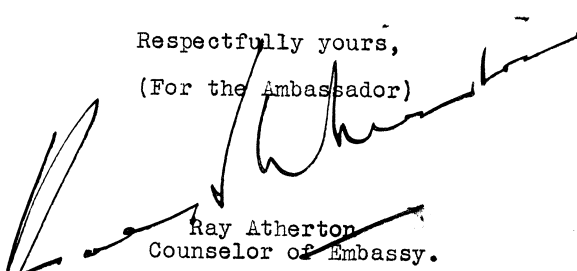
- 2 -

British Embassy at Washington on this same subject.

In conversation today, the Assistant Secretary of State for Foreign Affairs laid stress on the fact that the British opinion set forth in the attached memorandum was shared by the American Military Attaché in Peking and therefore was by now doubtless not unfamiliar to the Department of State.

Respectfully yours,

(For the Ambassador)


Ray Atherton
Counselor of Embassy.

Enclosure:

Foreign Office Memorandum (undated)

RA/ER

1 0 0 5

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

*Enclosure to despatch No. 412, Oct. 11, 1932,
from American Embassy, London.*

COPY.

M E M O R A N D U M .

Sir John Simon has now received through His Majesty's Embassy at Washington a copy of the State Department memorandum on the steps to be taken in the event of Sino-Japanese hostilities in the neighbourhood of Peking which formed the subject of his conversation with Mr. Atherton on September 19th last. It will be remembered that this question was discussed in Peking on the 3rd August last by the representatives of the United States, France, Italy and the United Kingdom who agreed to recommend that their respective Governments, if and when military activities extended south of the Wall, should make joint representations at Tokyo and Nanking for the purpose of obtaining, if possible, an undertaking from the Chinese and Japanese Governments to respect the diplomatic quarter. The question has been considered again by the Representatives in Peking in the light of the observations contained in the State Department memorandum and especially in relation to the suggestion that, if and when hostilities appear imminent, proposals should be made to China and Japan that they immediately enter into an agreement for the complete neutralisation during the period of hostilities of the City of Peking, including an area with, say, a ten mile radius from the walls. The technical aspects of the question were also referred to the United States, French and British Military attachés whose joint views have been communicated to the diplomatic representatives.

193.94/5595

His

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

- 2 -

His Majesty's Charge d'Affaires states that he and his colleagues consider that the proposal in theory is excellent but they feel that it bristles with so many difficulties as to render it very difficult to put into practice. They doubt whether either the Chinese or the Japanese would trust one another sufficiently to conclude a gentleman's agreement for such a zone and if it were proposed by a third party that party would then be asked by one side, if not by both, to offer guarantees for its observance. The utmost that the foreign representatives could do would be to set up a Commission to which either side could refer reported infringements of the zone on the analogy of the Shanghai joint commission and with approximately similar powers. Any commitment as to policing the zone would be out of the question nor could the Legation guards undertake responsibility for the safety of life and property of Chinese or Japanese outside the Legation neighbourhood.

The question of the Japanese Legation guard would also present great difficulties. It is most unlikely that they would consent to leave Peking and they have moreover a perfect right to police the Legation quarter. It might however be just possible, if a general diplomatic zone were once accepted by both parties to obtain an assurance from the Japanese guard that once their nationals were removed to safety their activities should be strictly confined to operations in the quarter under orders of the senior commandant.

While

100

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

- 3 -

While it is just possible that the Japanese might consider that the scheme would be in line with their well known predilection for demilitarised zones, it is doubtful whether they would renounce the advantages inherent in the element of surprise by even discussing further steps before they strike. Mr. Ingram and his colleagues consider that the greatest difficulty lies in the necessity of initiating negotiations well in advance of the imminence of danger - a point on which all the military experts are insistent - and they still think that the only course lies in joint representations at Tokyo and Nanking on the lines recommended by them to their respective Governments on the 3rd August.

Sir John Simon agrees with the views above expressed. In particular he is of opinion that it would be undesirable to open discussions with either the Chinese or the Japanese Governments unless and until the danger of hostilities spreading south of the Great Wall has become actual and imminent. In view of the opinions expressed by the military experts, Sir John Simon is of opinion that representations should in that event be on the lines previously recommended by the Representatives of the interested powers at Peking. He understands that the State Department have already on the 11th August last expressed to His Majesty's Chargé d'Affaires at Washington their concurrence in this view.

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

DOCUMENT FILE

NOTE

SEE 711.94/733 FOR Tel. # 259, 4 pm.

FROM Japan (Grew) DATED October 16, 1932.
TO NAME 1--1127 ...

REGARDING: Debuchi impressed fact that if Chang Hsueh-liang would keep quiet, there would be no question of Japanese troops taking Peiping and this all depends upon Chang's movements.

hs

793.94/5596

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

FE

CJH

This telegram must be closely
paraphrased before being
communicated to anyone.

TOKIO

Dated October 16, 1932

Rec'd. 9:15 a.m.

Secretary of State,

Washington.

259, October 16, 4 p.m.

CONFIDENTIAL FOR THE SECRETARY:

Debuchi recently came to see me almost directly
after a two hour conversation with the Emperor and said
that he wished to impress upon me the following two
points:

One. That if Chang Hsueh-liang will only keep
quiet, there will be no question of Japanese troops taking
Peiping and that this all depends upon Chang's movements.

Two. That the presence of our Atlantic fleet on
the West Coast furnishes an excuse for much of the
chauvinistic war talk and military and naval preparations
here and that it is therefore hoped in Japan that after
the maneuvers of the Atlantic fleet in the Pacific it
will be able to return to the Atlantic next winter.

Debuchi emphasized the fact that this was merely a
personal and friendly conversation but I believe he wanted
to get these two points to your attention.

He stated that the domestic political situation was
now well in

1733

note
792.94

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

CJH

Page 2 - #259 dated
October 16 from
Tokio.

now well in hand and that (?) our own aim would be to
avoid affording the chauvinists excuses for further
inciting public opinion against the United States.

Not repeat not sent to Peiping.

GREW

FW

1011
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Department of State letter, August 10, 1972
By Milton D. Eisenhower NARS, Date 12-18-75

United States Senate

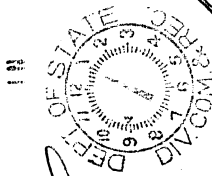
Washington, D. C., Oct. 21³², 192

Respectfully referred to

Letter to Mr. Trefethallen

Secretary of State
Washington, D. C.

for reply



28 12 100

F/DEW

793.94/5597

793.94—

Respectfully,

[Signature]

9-345

[Signature]

JUN 28 1933

FILED

U. S. S.

Oct 7, 1932.

6904 Cedar ~~October 28 1932~~

Wauwatosa, Wisconsin.
unw-tosa

My dear Senator Gess:

I am going to tell you what I understand of the Japanese-Chinese situation in Manchuria with the hopes that you will answer me and let me know if I am anywhere near right in my suppositions.

As we all know, the main trouble started with a railway explosion of the Japanese owned South Manchuria railway near Mukden. Both China and Japan blames the other for the explosion. At any rate Japan used this explosion as an excuse to enter Manchuria. The occupation of all Manchuria except Jehol lasted only until March, 1932. The Chinese government contended, therefore, that Japan acted under a pre-arranged plan and sent an appeal to the League of Nations. The League council requested that both Japan and China "refrain from any act which might aggravate the situation". That was Sept. 23, 1931. The policy from then on was to attempt to prevent the conflict from spreading and to have Japan remove her troops from Manchuria. The League council was a complete bust and Japan told her to mind her own business. On Dec 10, 1931 after the League's prestige had been seriously damaged by Japan's refusal, a commission of inquiry was appointed and ordered to investigate the problem. The United States sent Major-Gen McCoy. Lord Lytton, the British member, was made chairman. By the time the Lytton commission had drawn up a report, Japan had recognized the new state of Manchukuo. Japan says that the people want a new government, but these people are influenced to a great extent by the presence of Japanese troops. Japan now is ignoring the Lytton report completely and it is now up to the world to do something. The most effective remedy, to my mind is a boycott of food supplies to Japan. Japan is not a self-supporting nation and if all the countries of the world got together and made this boycott a success, Japan

F/DEM

793.94/5597

RECEIVED
OCT 27 1932

would have to come to order. This should not be so hard to do because I think every nation is convinced that Japan overstepped the rules in doing what she did. Therefore, a boycott of food supplies I think is the best remedy, in view of the fact that diplomacy seems to be bent of the question.

Very sincerely yours,

Eugene Tiefertaler

P.S. I am enclosing a map that I have made of the Manchurian crises. It portrays the situation fairly clearly.

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

Eugene Tiefertaker



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

Eugene Tiefertaler
Oct 4, 1932
Map of Manchuria.

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

October 26 1932

In reply refer to
FE 793.94/5597

Mr. Eugene Tiefenthaler,
6904 Cedar Street,
Wauwatosa, Wisconsin.

Sir:

The receipt is acknowledged, by reference from the Honorable Simeon D. Fess, of your letter of October 7, 1932, with its enclosure, addressed to him in regard to the situation in the Far East.

Your letter has been read with care and your interest in this matter is appreciated. As of interest in this connection there are enclosed herewith for your information a copy of Senate Document No. 55 entitled "Conditions in Manchuria", a copy of a letter addressed on February 23, 1932, by the Secretary of State to Senator Borah, and a copy of an address entitled "Policy and Action in Relation to the Current Situation in the Far East", delivered on

October 18,

793.94/5597

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

- 2 -

October 18, 1932, by the Chief of the Division of Far
 Eastern Affairs of this Department.

Very truly yours,

For the Secretary of State:

M. M. H.
 Maxwell M. Hamilton,
 Acting Chief,
 Division of Far Eastern Affairs.

Enclosures:
 Copy of Senate
 Document No. 55.
 Letter to Senator
 Borah, dated
 February 23, 1932.
 Copy of address,
 delivered October 18,
 1932.

egc.
 FE:EGC:KC
 10/25/32

FE

M. M. H.

CE *✓*

Oct. 26 1932.



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

X-6

It would seem
 to me that if
 we read the
 whole cor-
 respondence
 Johnson would
 not
 misunderstand

SKH
 1

Oct 6

SKH-

What do you
 think of sending
 this to Winston
 Johnson for his
 confidential information
 I favor sending.

We feels that
 to inform the
 minister of a
 proposition which
 is still in such
 a nebulous state
 may tend to
 cause the Minister
 to place undue
 emphasis on it.
 H.

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

STRICTLY CONFIDENTIAL.

No.

905

October 15 1932.

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping.

Sir:

There are enclosed herewith for your strictly confidential information copies, as listed below, of certain documents in regard to the question of "assistance" to China.

Very truly yours,

For the Secretary of State:

W. P. Castle, Jr.

793.94/5579

Enclosures:

Letter of July 11, 1932, from Mr. Lamont,
 enclosing a letter from Sir Charles Addis
 and Mr. Lamont's acknowledgment thereof;
 Memorandum prepared in the Division of
 Far Eastern Affairs;
 Letter of October 1, 1932, to Mr. Lamont,
 with its enclosure.

793.94

FE:100

X-11-32

FE

OCT 18 1932 PM
 OCT 26 1932.

793.94/5597A

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



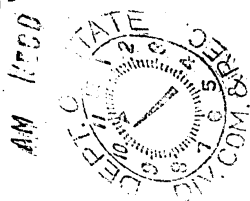
LEGATION OF THE
UNITED STATES OF AMERICA

No. 1760

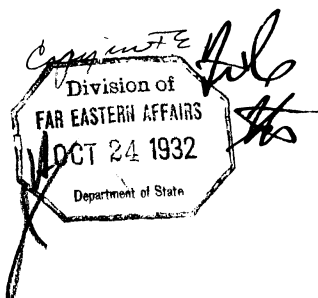
Peiping, September 28, 1932.

Subject: Neutralization of Peiping and its Environs.

793.94
note
893.102 Peiping



22 66 JUL



F/HS

793.94/5598

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to my telegram of to-day's date reporting conclusions reached as the result of discussions between myself, the British Chargé and our French colleague covering the suggestion made in the Department's telegram No. 320 of September 19, 3 p.m., for the neutralization of Peiping and its environs. I enclose a memorandum of our discussion of 1/ yesterday, a memorandum of our discussion to-day, and 2/ the memorandum submitted to us by our Military Attaches to-day.

Conditions in and about Peiping, Tientsin, and North China are generally quiet. The danger of the extension of military activities into this area has for the moment passed. It appears to us that the Japanese are so deeply involved in matters attendant upon the protection of their positions in Manchuria at the present

793.94/5555

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102

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

- 2 -

present time that there seems, at least for the moment, little danger of any penetration into this area.

Contrary to the suggestion of the Department, it is the opinion of our Military Attachés that, to be effective, any proposal for an agreement between the Japanese and the Chinese for the neutralization of Peiping and its environs would require negotiations. It is their opinion that these negotiations would have to be undertaken at an early date, for we could not await the imminence of hostilities to begin those negotiations. This opinion is based upon our knowledge of Japanese military practice, for we are convinced that the Japanese would be loath to forego the advantage of a surprise attack should it be their intention to take action in this area; and therefore if we were to wait until the imminence of hostilities before commencing negotiations we would find hostilities upon us, and the opportunity for negotiation passed.

While we are agreed that the neutralization of Peiping and its environs in the case of hostilities between Japanese and Chinese would be desirable, and that an agreement for neutralization would require considerable negotiation in advance of such hostilities, we are equally agreed that it would be exceedingly difficult at the present time to anticipate such hostilities by approaching Chinese or Japanese. We therefore feel that no other alternative presents itself than for us to await the event quietly and, upon the commencement of hostile activities, at once approach

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

- 3 -

approach both the Chinese and Japanese Governments demanding their observance of the neutrality of the Diplomatic Quarter.

Respectfully yours,

Nelson Trusler Johnson

NELSON TRUSLER JOHNSON.

✓
Enclosures:

1. Memorandum of conversation
September 27th.
2. Memorandum of conversation
September 28th.
3. Copy of memorandum submitted by Military
Attaches.

NTJ.EA

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

Conversation.

Peiping, September 27, 1932.

Mr. Wilden, French Minister
 Mr. Ingram, British Charge d'Affaires.

1760

Subject: Neutralization of Peiping and Environments

At Mr. Ingram's suggestion Mr. Wilden and he met with me this morning at 11.30 for the purpose of discussing what we might have to say to our respective governments concerning the possibility and feasibility of the neutralization of Peiping and its environs, should hostilities between Japan and China extend to this area.

I reminded Mr. Wilden that early in August Mr. Wellington Koo had suggested to all of us the possibility of neutralizing Peiping should hostilities extend to this area, and that we had reported these things home. I said that as a result of these reports the British Government apparently had made certain inquiries of my Government, which had produced certain comments communicated to London, and I then paraphrased to them the coded part of Washington's telegram No. 320 of September 19, 3 p.m., particularly that part which stated that it seemed to the Department of State that neutralization of the Legation quarter by itself would not insure the safety of the Quarter, and that neutralization of Peiping and its environs would be more desirable and almost equally practicable.

I

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

- 2 -

I stated that the British Charge had informed me that he had received from his Government a request for comments upon this, and that as a result of the conversation which we had had, we had decided that it would be well for the three of us to talk matters over before going further.

Mr. Ingram then read to us the draft of a telegram he had prepared, which was the result of a conversation he had had with his Military Attache and with his Admiral. It was generally to the effect that the neutralization of Peiping would be difficult to accomplish and impossible for us to guarantee, but that in any case it should be accomplished along the following lines:

- (a) The move should be made by Doyen of Diplomatic Body and given utmost publicity.
- (b) Preliminary sounding as to acceptability of project both in Tokyo and here might be desirable, but no official step should be taken till danger is imminent.
- (c) Legation Guards should undertake no commitment outside Quarter.
- (d) Maintenance of order in Peiping should be sole responsibility of Chinese police.
- (e) Japanese nationals should be evacuated either to Quarter itself or away from Peiping altogether.
- (f) International Commission should be set up on Shanghai analogy.

(g)

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

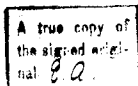
- 3 -

(g) There should be some understanding as to when arrangement ceases, say when Commission (see "f" above) consider hostilities have ceased.

After some discussion we agreed that before going further it would be well for us to have our Military Attaches go over the whole question along the points outlined above. We therefore adjourned, to discuss the matter further to-morrow.

Nelson Trusler Johnson,
American Minister.

NTJ.EA



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

Conversation.

Peiping, September 28, 1932.

Mr. Wilden, French Minister
 Mr. Ingram, British Charge d'Affaires.

1760

Subject: Neutralization of Peiping and Environs.

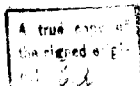
We met and resumed our discussions of yesterday,
 1/ having before us the attached memorandum signed jointly
 by our several Military Attaches. We agreed that the
 most important part of this memorandum was the paragraph
 which follows:

"If any action is to be taken it should
 be carried out as soon as possible, for there
 is no guarantee that we shall have sufficient
 notice to prevent a disaster if we delay this
 action until the moment of hostilities."

We agreed that hostilities between Japan and China
 in this area were not at present imminent, and that it
 would be difficult for any of us here to take the ini-
 tiative, either on our own account or through the Doyen,
 in proposing to Japanese or Chinese the neutralization
 of Peiping and its environs. We agreed that we would
 telegraph our several governments to this effect,
 stating that we saw no other alternative but to await
 the event quietly, and, upon the commencement of hostil-
 ities, request both the Chinese and Japanese Governments
 to respect the neutrality of the Diplomatic Quarter.

Nelson Trusler Johnson,
 American Minister.

Enclosure:
 Memorandum by Military
 Attaches.
 NTJ.EA



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

SECRET

1760

NEUTRALIZATION PLAN

While the possibility of Japanese military action in Peiping and its environs is not at present imminent such action is conceivably within the scope of the plans of the Japanese military. Such a plan may reasonably be considered by the Japanese, should Chinese offer military resistance in Jehol to Japanese military penetration into that province.

There is the possibility of Chinese military resistance in Jehol and of Japanese military action in the Peiping area in that event.

In the event of such action the lives and property of foreigners living in the Diplomatic Quarter and in the areas adjacent thereto would be in danger.

It seems advisable that some plan be considered for the protection of neutral life and property in the Diplomatic Quarter in the event of such action.

If any action is to be taken it should be carried out as soon as possible, for there is no guarantee that we shall have sufficient notice to prevent a disaster if we delay this action until the moment of hostilities.

The undersigned have considered the plan of neutralizing the Diplomatic Quarter and the areas adjacent thereto. By neutralization the undersigned intend that the area so neutralized be kept free of the regular mil-

itary

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

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itary forces of both parties; that no military forces be allowed in the area or allowed to pass through it or above it under any circumstances until the termination of the agreement; that those troops already in the area to be neutralized be removed from that area, including their headquarters.

Within the Diplomatic Quarter the military forces of the Japanese should be withdrawn and the protection of the quarter should be left entirely to the remaining Legation Guards; outside the quarter the protection should be left entirely to the properly organized Chinese police. The area neutralized should be excluded from any act of war, including bombing or observation from aircraft.

The Japanese nationals remaining in the neutralized area should be free from molestation of any kind from Chinese authorities and they should be evacuated into the Diplomatic Quarter only upon request of the Diplomatic Body.

A suitable method of securing the necessary agreement would be an international commission set up on the same lines as the Shanghai negotiations and the time when the negotiations should cease would be a detail to be determined by the negotiators.

It would seem advisable that the neutralization plan, if agreed to, should be started as soon as possible

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

- 3 -

sible and its termination should be upon agreement by both parties.

The area to be neutralized should consist of the walled city of Peiping which includes the Chinese city, the Tartar City and the Diplomatic Quarter. The reasons for the selection of this limited area are: that an area beyond these lines would interfere with the normal railway and other communications of the Chinese Government and would no doubt be rejected by the Chinese. Another reason is that this area is clearly and unmistakably defined by the walls of the city and should properly be protected by the Chinese police now available to the city authorities. A third reason is that a larger area would be impossible to control.

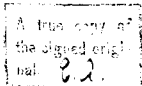
The undersigned are of the opinion that the Japanese civilians remaining in the Diplomatic Quarter or in the walled city should secure the same protection that they would have were Japanese troops to remain here in their defense, and that they should not be required to evacuate unless in the opinion of the Diplomatic Body an evacuation to the Diplomatic Quarter seemed necessary and advisable.

The neutralization plan proposed above is the minimum that would seem to give adequate protection to neutrals in the Diplomatic Quarter.

Signed: W. S. Drysdale,
 Lieutenant Colonel, Infantry,
 Military Attache, American Legation.

Lieutenant Colonel A. Bonavita,
 Attache Militaire pres la Legation de France
 (Signed) A. Bonavita

(Signed) V. R. Burkhardt,
 Lieutenant Colonel, Royal Artillery,
 Military Attache, H.B.M.'s Legation.



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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS
October 26, 1932.

~~RCB:~~
~~DMF:~~

The attached despatch from the Consul General at Nanking transmits a memorandum of conversation between C. Walter Young and Vice Consul Buss. In this conversation Mr. Young gives an account of his experiences in the Chientao region of Manchuria. I suggest that you read the entire memorandum.

JEF

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. L-352

AMERICAN CONSULAR SERVICE

American Consulate General,
 Nanking, China, September 20, 1932.

Subject: Sino-Japanese Controversy

The Honorable

Nelson Trusler Johnson,
 American Minister,
 Peking, China.

Sir:

I have the honor to transmit herewith a memorandum of a conversation held between Dr. C. Walter Young and Vice Consul Claude A. Buss on Sunday morning, September 18, 1932.

This memorandum may be of interest to the Legation, because of its bearing on the Manchurian situation. Dr. Young described the efforts of the Japanese to supervise his activities in Chientao and Lungchingsun and the care with which his pilot avoided flying over the roadway of the Kainei-Tunhua Railroad. He was not able to determine from his observations whether the Japanese were actually carrying on the construction of this line.

Respectfully yours,

Willys R. Peck,
 American Consul General.

Enclosure:

Memorandum, as stated.

5 copies to the Legation

800
 CAB-T

COPIES SENT TO
 C. N. L. A. M. L. D.

Division of
 FAR EASTERN AFFAIRS
 OCT 24 1932
 Department of State

F/H/S

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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 D. Gustafson NARS, Date 12-18-75

Enclosure to despatch No.L-352 of Willys R. Peck, American Consul General at Nanking, China, dated September 20, 1932, on the subject "Sino-Japanese Controversy".

Memorandum of conversation between

Dr.C.Walter Young and Vice Consul Claude A. Buss.

On Sunday morning, September 18, 1932, Dr. Young visited the Consulate General and, in the absence of Mr. Peck, he was received by Vice Consul Buss.

Dr. Young had just arrived that morning, and his travelling companion was Mr. W. H. Donald, the adviser of Marshal Chang Hsueh-liang. Mr. Donald spent a large part of the morning of September 18 in consultation with the Minister for Foreign Affairs, Dr. Lo Yen-kan. Mr. Donald planned to proceed to Shanghai in order to confer with T. V. Soong, and Dr. Young was enroute to Geneva by way of the United States. They departed from Nanking on the 3 p.m. express for Shanghai.

The conversation with Dr. Young centered on the developments in Manchuria. He seemed "fed up" with Japanese activities in that region, and expressed the belief that the next act in the drama would be staged at Geneva. He stated that he was physically tired as a result of his efforts for the Lytton Commission and he felt that every one had more or less exhausted himself in attempting to surmount the obstacles which had been encountered in Manchukuo.

Dr. Young was asked about his experience during his flight to Chientao. He replied his trip was a result of invitation by the Japanese and his object was to obtain technical information in the connection with the 1909 Chientao Treaty. He stated that he was in constant

danger

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

- 2 -

danger of assassination by Korean Communists who hoped thereby to embarrass the Japanese Government. The Japanese afforded him most "efficient" personal protection; and at times it became so "efficient" that it was absolutely annoying.

His escort seem very anxious to prevent any unsupervised observations and instead of permitting access to desired records in the Japanese Consulate, the major in charge insisted that all available time should be spent in interviews with loquacious Japanese underlings and with pompous Manchukuo marionettes. It was with great difficulty that he carried through the researches which occasioned his trip.

At Lungchingsun the Japanese attempted to photograph him saluting the Manchukuo flag, which flag was at that time being raised on the staff in the yard of the Japanese Consulate General there. At first he politely declined, but when he was warned that further refusal might result in bodily harm to him, he was forced to remind the Japanese that they were responsible for his safety and welfare.

On his return to Changchun from Lungchingsun his pilot scrupulously avoided flying over the roadway of the Kainai-Tunhua Railway. He zigzagged back and forth so as to miss all areas involved in interesting military activities. Dr. Young was not able to confirm from personal observation the reports that the railway to the Korean border is being completed. He had heard that supplies had been imported and stored at convenient

centers

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centers and that actual construction had begun in some places. However, he could not vouch for these reports nor for other reports which stated that Wang Teh-ling's irregulars were "tearing up the tracks as fast as the Japanese were laying them". He commented that the dense forest made possible many successful forays of the Volunteers against the Japanese in that region.

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LEGATION OF THE
 UNITED STATES OF AMERICA

No. 1759

Peiping, September 28, 1932.

Subject: Editorial Comment on the Sino-Japanese Situation.

PM RECD

0072232

Copy to M. J. L.

Copy in FE

Division of
 FAR EASTERN AFFAIRS
 OCT 24 1932
 Department of State

F/HS

793.94/5600

The Honorable

The Secretary of State,
 Washington, D. C.

Sir:

In continuation of the Legation's despatch
 793.94/5585
 No. 1733 of September 15, 1932, I have the honor to
 transmit herewith additional editorials commenting
 upon Sino-Japanese relations, particularly upon the
 recognition by Japan of "Manchukuo".

OCT 29 1932

RECD

1/ The PEKING & TIENTSIN TIMES (British-owned and
 edited, independent), in its editorial of September
 14th, sets forth and analyzes what it considers to
 be the only satisfactory solution of this most crit-
 ical problem.

2/ THE PEIPING CHRONICLE (British-edited, but gov-
 ernment-subsidized), in its editorial of September
 15th, mentions a hitherto neglected international
 doctrine that Japan has allegedly violated, namely,

the

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the Drago Doctrine, which asserts that force should not be used by one power to collect money owing to its citizens by another power. The editorial declares that Japan had not the courage to submit her claims to any independent court, and alleges that Japan in extending recognition to "Manchukuo" has also violated the "Stimson Doctrine" that territorial changes made as a result of violations of the Kellogg Pact, the Covenant of the League and like commitments, should not be recognized. Finally, the editorial declares that "the weaker powers are taking their lesson from China", as a similar fate may await them some day. They are accordingly rallying to the support of the League, as is China, at a time when Japan, defiant of world opinion, is threatening to resign from it.

3/

In a leading article of September 16th, the PEKING & TIENTSIN TIMES expresses the opinion that "if it were possible to negotiate with China, the Japanese would not drive too hard a bargain. There is hardly any price they would pay which would be too great to establish a partnership with China, even on a basis of absolute equality." The editor admits, however, that the prospects of direct negotiations at the present time are not bright, the two chief obstacles being the weak and pusillanimous character of the National Government and the Oriental doctrine of "face", which would make it difficult for Chinese negotiators to make any concessions or to strike a working compromise with Japan.

THE PEIPING

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4/ THE PEIPING CHRONICLE, in its editorial of September 16th, refers scornfully to the provisions of the protocol between Japan and "Manchukuo", which it considers a case of qui s'excuse s'accuse. On the response of the Powers, signatory to the Nine-Power Treaty, to the appeal of the Chinese Government against the Japanese recognition of the new State "depends to an almost incalculable extent the peace of the Far East in the immediate future."

5/ On September 17th the PEKING & TIENTSIN TIMES discussed the Japanese-"Manchukuo" protocol, the terms of which confer so many benefits upon Japan and so little upon the "puppet" State. This paper is of the opinion that formal recognition only makes the situation just a little graver than it was before; and, just as "Manchukuo" was created to anticipate the arrival of the Lytton Commission, so recognition was accorded it to anticipate that Commission's report. The major note behind the recent activities of Japan, in the opinion of the editor, is one of defiance. "The road to negotiations . . . is closed", and more serious and critical events are likely to follow.

6/ The final enclosure to this despatch is a summary of an interesting article by Dr. Hu Shih, the eminent Chinese scholar and philosopher, which he contributed to a recent issue of a vernacular magazine. In it Dr. Hu discusses the bearing of the Nine-Power Treaty, the newly-proclaimed "Stimson Doctrine" and the League of Nations Covenant, upon the Sino-Japanese

conflict.


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conflict. He concludes his article by inquiring whether it will be the League Covenant, the Nine-Power Treaty and the Pact of Paris on the one hand, or the protocol signed by representatives of Japan and "Manchukuo" on September 15th on the other, that will turn out in the near future to be "scraps of paper."

Further items regarding Sino-Japanese problems will be found in the press clippings which are being transmitted to the Department in the same pouch as this despatch.

Respectfully yours,


NELSON TRUSLER JOHNSON.

Enclosures:

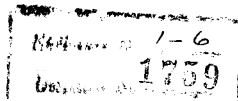
Six newspaper clippings,
as indicated herein.

800

RLB:epg

Copy to: American Embassy, Tokyo, Japan.

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PEKING & TIENTSIN TIMES, WEDNESDAY, SEPT. 14, 1932.

THE APPROACHING "MAJOR CRISIS."

FROM the beginning of the Manchurian crisis this paper has advocated a solution based on the following definite principles:—(1) Chinese sovereignty must be upheld; (2) Japanese economic rights have been as beneficial to the people of Manchuria as they have been to Japan and should be preserved, fostered, and enlarged, while simultaneously nothing should be done in jealousy or envy to estop the natural development of Chinese enterprise, whether in communications, trade or industry; (3) The peace and economic rehabilitation of the Far East primarily depend upon the closest possible relationship and the most cordial co-operation between Japan and China consistent with absolute equality.

In greater detail the first issue, we urged, required of the Chinese Government the fullest recognition of the historical autonomy of the region, the nominal exercise of Central sovereignty through the appointment of a decorative High Commissioner or Governor with functions similar to those of the representatives of the Crown in the British Dominions, and the safeguarding and consolidation of the interest of the inhabitants of the territory through a system of representative Government, ensuring that their will prevailed. That principle requires of Japan, in turn, the adoption by progressive stages of the policy which the Powers as a whole, and Great Britain particularly, have pursued in the last five years. This is the most difficult of all phases of the problem, and is now rendered all the more difficult by what has occurred in the past year. This policy has come to a standstill in China Proper because of the failure of the Chinese to accomplish their part of the problem. They have not established stability or unity, and are threatened with a Third Revolution which, if it develops, is

likely to be far more tempestuous, deep-reaching, and powerful than the Nationalist Revolution of 1926-27. In Manchuria change is characterised chiefly by a breakdown of law and order. But there is no other ideal than this which may safely be pursued. It is not, indeed, a question of principle, but one of time and opportunity. No final or definitive settlement can emerge till a final Chinese Government has emerged, solidly constituted from the body of the people and filled with the vigour of true action.

The second principle, regarding Japan's economic rights, must be regarded in the light not only of the mutual necessities of Japan and China, but of the new ideas of economic inter-dependence which cut clean through the pedantic rivalries of Imperialism and Communism, and render the parrot cries of the past completely obsolete. The third principle depends largely upon the integral fulfilment of the first two, and is primarily a guide to the attitude of the rest of the world. It is a far cry now from the time when we jibbed at the Ishii-Lansing phrase about propinquity and special interest. The Open Door must share the fate of the most-favoured-nation clause, whatever it may be. Special groups are negotiating special trade preferences and privileges, as a necessary stage toward the effective implementation of the revolutionary conception, which has evolved from the world catastrophe, that economically the world is one. In essence, so far as this particular field is concerned, the movement must be from the *San Min Chu I* with its childish objections to the export of eggs and the gross misunderstanding and condemnation of the basic elements of international trade as rapacious Imperialism, to Sun Yat-sen's "International Development of China," which the Kuomintang has chosen calamitously to ignore.

Tokio has been making as much capital as possible out of

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alleged forecasts of the Lytton Report. But one markedly sober message, destitute of the slightest trace of propaganda, gives an outline of the main principles of the future settlement which rings true and is confirmed by a more extensive summary published by the *Observer*, one of the most important of the Sunday papers in London, which has a deep sense of responsibility and, moreover, has no axe to grind. The Tokio message in question says the Report will suggest that Manchuria be demilitarised and granted autonomy, and assisted by Japanese advisers, but that China should retain nominal sovereignty. It also proposes direct negotiations between the parties immediately concerned, under League supervision, a principle which Nanking seems to have accepted, in rather different form, by the reported decision to invoke the Nine Power Treaty, an action which contemplates a conference of more limited dimensions (and therefore more desirable) than a League gathering. The *Observer* says that the Report is pivoted upon the desire to "safeguard Japan's economic rights as well as China's political rights and to achieve a reconciliation of all parties concerned in the Far Eastern crisis." These principles, which have consistently animated this paper, afford the only logical basis for a true settlement.

What are the alternatives? The first, and the most realistic, is the possibility of continued irreconcilability both in China and Japan, and a refusal to compromise. From this would follow inexorably the enlargement of Japanese intervention, the exacerbation of popular passions in this country, the development of more radical revolutionary phenomena in China, the overthrow of the present Government or its disappearance within a more extreme consolidation of the great forces that undoubtedly exist, an alliance with Soviet Russia and a policy of joint resistance, the deterioration of Japan's

internal economy under unprecedented strain, and a persistent embarrassment of the Western Powers whose policies, inscribed in various postwar enactments, are designed to uphold the new machinery of peace whereby civilisation may be preserved. The second alternative is the enforcement of Japan's will by submitting China Proper to the same processes as those which have been employed for the past year in Manchukuo. This alternative is not practicable, and if possible would merely be ruinous in the end.

In the face of China's dissensions and passivity, Japan remains the sole positive factor at the moment. She has responded to the situation by the formal recognition of Manchukuo. Whether this act will be followed in China by the same phenomena and tumult as was witnessed after the May 30 affair in Shanghai cannot be foretold. The Government, if only in self-preservation, will doubtless try to control events. Its ability to do so is most doubtful. But Count Uchida has at last told the world—and it is a recognition of plain facts long urged upon Japan and whereon silence has been kept too long—that China Proper is more important to Japan than Manchuria or Mongolia. That admission underlines and confirms all the asseverations about non-annexation, save of course as a most desperate and despairing resort. The occupation, then, is not an end in itself, but a means to an end: a pawn wherewith Tokio may more confidently negotiate with a country which has few equals in the art of stubborn bargaining. Tokio has since added that after recognition Japan might be "about to recommend that Manchukuo negotiate with China." This is something quite unique in stagecraft and statecraft. Nothing is to be dismissed, because it is new or novel. But it takes a good deal of mental digestion. Both parties would have to approach a solution postulated on such a

bargaining basis as this with the most blissful confidence in each other, and the most determined desire to co-operate. There is no such possibility of approach. There is nothing but suspicion and mistrust on both sides. Negotiations on this basis, therefore, are in the highest degree unlikely, for even if Chiang Kai-shek took full control of the Government and did try to find a way out along these lines, that Government would speedily be thrown out by an outburst of popular emotion.

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THE PEIPING CHRONICLE, Thursday, September 15, 1932

TWO DOCTRINES AND A GESTURE.

Japan's determination to go forward with the severance of Manchuria from the Republic of China is apparently to reach its consummation today in defiance of innumerable technicalities of international law, half a score of solemn engagements by Japan herself, and the judgement of the whole world, before whom Japan stands condemned. Japan should not deceive herself on this last point. A Japanese official in this city not long ago expressed surprise when he learned that a certain resident was not an American: "I thought he must be, he is so critical of Japan." It is not Americans alone, by any manner of means, who hold Japan guilty of an international crime, remarkably like burglary, defended only on the ground that the owner of the property broken into is wealthier than the burglar.

On the question of general international law and order there can be no doubts. Passing by for the moment the economic pleas that Japan puts forward, that she needs raw materials and an outlet for her surplus population, and turning merely to the legal aspect of her aggression, we find that essentially she has for the past twelve months violated an international principle that has been accepted in international law for a quarter of a century. In 1902 Dr. F.L. Drago, the distinguished Argentine jurist, having in mind the coercive action taken against Venezuela by Britain, Germany and Italy, enunciated the principle that force may not be used by one Power to collect money owing to its citizens by another Power. This doctrine, known as the Drago Doctrine, became the guiding principle of an article of the Convention of The Hague of 1907. Its principle, originally applied exclusively to the use of force in money claims, extended by successive international conventions and accepted interpretations, forms the basis of all those numerous agreements, including the Covenant of the League of Nations, that seek to remove not merely questions of property but all justiciable or arbitrable issues from the category of justifiable causes of war. It is a question for the casuists whether Japan has gone to war to detach Manchuria from China, but nobody can deny that she has used force, and she has defended herself on the ground that she had many outstanding questions to settle with this country and could not get them settled. She had not the courage to submit her claims, which she herself regards as overwhelming enough to warrant the destruction of over fifteen hundred million dollars' worth of property in Shanghai and possibly an equivalent destruction in Manchuria, to any independent court or board, several of which were available. Instead, she resorted to military force, we will not say war, in defiance of an international principle that has been gaining strength for a quarter of a century and is increasingly recognized as one of the fundamental bases of world peace.

A more recent doctrine Japan has also set at defiance; or, perhaps we ought rather to say that her defiance of the more fundamental doctrine has produced a significant statement of a consequential doctrine, the Stimson Doctrine, which briefly is that the United States will not recognize territorial changes made or agreements entered into as the result of actions violatory of the Kellogg Pact, the Covenant of the League, and like international commitments. This doctrine is not merely a Stimson Doctrine or a general policy of the United States enunciated by its Secretary of State. As Mr. Stimson pointed out in his speech on August the 7th, 49 out of 51 nations endorsed this principle in March last at the League Assembly,

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Japan alone dissenting. Mr. Stimson's speech so dotted the i's and crossed the t's of the doctrine that its direct and devastating application to Japan was inevitable; yet Japan cynically bids the rest of the world to rid itself of theories and principles and legalities and ideals and consider merely "facts" and "actualities", whilst Japan rushes down the Gadarene steep.

It is a significant fact that on the very eve of Japan's consummation of her violation a state that was formerly a member of the League of Nations, but withdrew some years ago, should have made application to re-enter the League. The lesser states are realizing that, limited as the League's powers are, unable as the League is to prevent aggression by any nation suffering from "possession", just as a police force is unable either to anticipate or prevent outrages by an unbalanced individual, and refraining as it does from the use of force for the settlement of the issues that come before it, the League has immense value; and it is better to be in it than out of it. Membership imposes restrictions, involves certain disabilities, but the restriction of the individual, the disability imposed on the unit, is for the greater liberty and safeguarding of the whole. The weaker Powers are taking their lesson from China: she may be invaded, violated, harassed and subjected to unmentionable indignities, but, within the League, abiding by its principles, falling in with its suggestions, the sympathy of the whole world is with her; and though for the moment that sympathy may not seem to have much tangible value, and certainly cannot be translated into terms of cash, in the long run the real success, the moral victory will be with the ravished and not with the ravisher. Japan has striven hard to evoke sympathy and understanding, and has failed all round; morally she is beaten to her knees. The smaller nations, the weaker states, know this. Japan defies world opinion and is prepared cynically to leave the League as not fit society for her. The Argentine Republic agrees, and offers herself for membership.

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PEKING & TIENTSIN TIMES. FRIDAY, SEPTEMBER 16, 1932.

HORSE SENSE AND THE HARDER SCHOOL.

JAPAN has put her hand to the plough, and is no longer a free agent. The controversies which throve for some months after the Army delivered its shattering blow have long since disappeared from Press and platform. There may be much disputation on details. It is not yet settled whether it is better to develop industry on the spot in Manchuria which might compete with Japan's home industries, or send the raw materials to Japan for manufacture. Another issue still to be fought out is whether enterprise shall be managed by the State or by the great Capitalist firms in Japan who finance the political Parties. But these things can wait. There may be a boom in building at Changchun. But conditions, either in Manchuria or in the outer world, do not favour any other sort of boom except in the ancient profession of banditry, with the devastation that goes with it. But in spite of the realisation by the Japanese as a whole that the time when the policy of intervention could be questioned has passed, and that they must all stick together and, as Count Uchida, with one of his characteristically heroic gestures, put it, "live or die with the country" on this issue, it is impossible to ignore the wistful and troubled note and the fear of "serious consequences" which accompanied the Privy Council's approval of the recognition of Manchukuo.

It is not at all improbable that if it were possible to negotiate with China, the Japanese would not drive too hard a bargain. There is hardly any price they could pay which would be too great to establish a partnership with China, even on a basis of absolute equality. It is impossible to believe that they do not know this as well as, or better than, the rest of the world. Bargaining is one of the most common and most ingrained characteristics of the Chinese people as a whole. Half the joy of purchase lies in the fight that precedes it. The man who

does not start with the sky as the limit, as a necessary preparation for a slow and grudging descent, is regarded as a simpleton. Moreover, it is always best to negotiate. There is little to lose unless it be morale. What of that has China to lose? How many of us have looked back on the tentative peace movements in the middle of the war, our passionate hostility to all who would try to stop the slaughter, the scorn poured on all peace cranks, with very different thoughts. Instead of a negotiated peace, we had an imposed peace which has kept Europe in anarchy ever since. The two last years of war, its mountainous sacrifices and prodigious debts, might perhaps have been avoided. Who knows? We have had International Conferences innumerable to repair the follies of our war passions, and there must still be more. We called Lansdowne a weak-livered old aristocrat who had gone into his dotage. He was perhaps the most courageous man in England of his time. If morale is of any relevance at all in the existing crisis, surely the disadvantage would be with Japan, and not with China. The Japanese may have gone the wrong way about it, but behind all these events does lie a passionate desire to establish the closest relations with China. That is a pretty substantial thing for a sincere and skilful statesman to manipulate. But there are no statesmen in China, only mistrusted tools, and the Japanese are hardly prepared to pay the price of full equality.

The technique adopted by the Bolsheviks in the Siberian intervention was very different from that used by the Chinese. The latter are wholly passive. The Soviets kept on negotiating. They never wearied of it. The resistance, so far as the actual Red Army was concerned—apart from the devastating activities of the partisans—was, like that of the regular Chinese forces, passive. But their diplomacy was positive. They even erected an "Independent State" of their own volition: the celebrated Far Eastern Re-

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public, which had an interesting existence in troubled times and then melted into the Soviet Union as smoothly and rapidly as dawn melts the night. Both parties got somewhere, and positive diplomacy defeated positive Militarism. The Japanese found themselves back in their own country and the Soviet in Vladivostok. Europe did not stand pat on Versailles. It has been negotiating for 13 years in conference after conference. Some made headway and some did not, but Lausanne ended Reparations and the next stage of the journey, calculated to be equally tedious, has begun.

Every month the two parties refuse to negotiate will merely produce events expressly designed to teach them they must negotiate. If we object to sanctions and all other methods of applying force to one side or the other, it is because we realise that direct negotiations, with our help if desirable or necessary, furnish the only true way out; and because it is necessary that those who will not negotiate must be taught the folly of that refusal. It is better in the long run to let States learn by experience rather than butt in and ruin that lesson by giving the parties an altogether different bone to pick. But we can at least speak of our own salutary experience, which has taught us not only the folly of conflict and the futility of war but the sanity of negotiations. If a dozen Conferences had to be held, and some of them broke up as soon as they began, it is better to fight that way than the other. There is nothing to be lost, after all. If there is no agreement, the dissenting party goes off in a huff, till the other party recedes a bit, whereupon the tedious but not very costly game goes on.

The main difficulty, of course, lies in the fact that the doctrine of "face" is still paramount in China, in the further fact that the Government is weak and pusillanimous, the public untrained, and opposition politicians unscrupulous. The Government lacks the courage

either to fight or to conduct a positive diplomacy in the teeth of its enemies. On the other side, Japan enters the conference with a programme and military occupation which would give any negotiations the complexion of treason, so far as China is concerned. Yet of far greater importance than these pawns in the bargaining is the undoubted desire in Japan for a real understanding. But let us suppose that China did enter conference on the basis of the conditions which, it is reported, the new Minister has brought with him. The first clause, it is stated, is that "Manchukuo should be recognised, both China and Japan mutually undertaking not to interfere with Manchukuo affairs." What would be the nature of China's positive diplomacy? Obviously to convert "independence" into "autonomy." Japan would concentrate on securing her economic rights in exchange. Any political or military demands inconsistent therewith and designed to serve power or minister to vainglorious dreams of world conquest would naturally be resisted to the end. The two major aims of both sides, as they are proclaimed, being attained, China would then fight for the total withdrawal of the Japanese armed forces from the entire territory as a necessary guarantee of the undertaking of non-interference, agreeing in turn to the organisation of a strong Police force, with Japanese advisers, whose sole object would be the maintenance of order. The territory would thus be demilitarised, and the Balkans of the Far East become a land of peace. Banditry would be conquered in time, more surely than by the use of armed force, through the restoration of its economic prosperity, banditry's most deadly enemy throughout Chinese history. There would doubtless be a breakdown on this point, but Japan, set on a new path, and frantically worried by her internal situation, would doubtless negotiate again.

The Soviet, we reiterate,

presented Japan with an "independent" Far Eastern Republic on a platter, knowing that the population of that territory were more or less solidly bound to it. Has China any doubt of the attitude of her own people to the Motherland, however generous the measure of autonomy? Some Chinese have said that they lost their chance in October, and ought to have negotiated then. But there is no such thing as a lost chance in negotiations. However, there is little chance of the acceptance of this horse sense. There is a grim time coming, and at the end of it strained and drawn faces will confront each other round the table and bring the struggle to a settlement. But on this altar of immolation the China of the ages will be destroyed and the land undergo a re-birth, ready and able, and with the trust and backing of the people, to negotiate and settle her problems. That is the sole hope, and, unlike many others, of this ultimate outcome we have never despaired. But much agony and waste would be saved if Japan and China would learn from Europe's history of the past 20 years.

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THE PEIPING CHRONICLE, Friday, September 16, 1932

THE ACCOMPLISHED FACT.

Japan now presents the world with the accomplished fact of her recognition of "Manchukuo". She has effected the recognition by means of a protocol, a somewhat unusual procedure, appropriate as the unusual consummation of a long period of amazing conduct. The circumstances are so extraordinary that the Japanese Government has found it necessary to issue a wearisome document explaining all about it. The main effect of the document, apart from a headache, is to recall the French proverb which says that he who excuses himself accuses himself. The longer and the windier the explanation the graver the accusation. On the other hand, the text of the protocol is viciously short, too short for lucidity, too short to satisfy any enquiring mind. We do not propose at present to deal lengthily with the explanation, but there are one or two points in the protocol that may perhaps be commented upon.

The talk about the free will of the inhabitants of Manchuria is of course more flapdoodle. The only evidence of that free will is the activities of the "volunteers" and many of the so-called "bandits", who are simply guerrillas refusing to accept an alien dictation of their destinies. Skipping a few lines of talkee-talkee about good neighbourhood between "Manchukuo" and Japan we come to the undertaking to respect each other's territorial rights. Here we may perhaps be permitted to ask what exactly does Japan understand by the territorial limits of "Manchukuo"? What does "Manchukuo" understand by the term? Are the boundaries of the Three Eastern Provinces the limits of "Manchukuo", or is it presumed that the boundary includes, as many Japanese references would imply, Jehol and Chahar, and certain areas of Mongolia. Again, what about the Liaotung Leased Territory? Does the "Manchukuo" writ run there, or does Japan still pretend to hold the territory in lease from China?

Here is another point: Japan and "Manchukuo", recognizing that any threat to the territory (undefined) or to the peace and order of the one is a threat to the territory or the peace and order of the other, agree to co-operate in the maintenance of their national security, it being understood that such Japanese forces as may be necessary for this purpose shall be stationed in "Manchukuo". It would be interesting to know how far this article carries an implication that, should Japan become embroiled with say the United States, Japan shall be able to draw on the thirty million inhabitants of Manchuria for her conscript levies. It may be that there never will be an embroilment with the United States. Certainly we believe the United States desire no such embroilment. Nevertheless, it is a fixed idea in the mind of the military rulers of Japan and "Manchukuo" that, in spite of Kellogg Pacts,

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League Covenants and other pacificatory agreements, such embroilment is one of the inevitables of the future, perhaps of the near future. If such embroilment should come, is Japan to be entitled to draw on Manchurian manhood for her cannonfodder? On the face of it, this article seems to spell Japanese paternal protection for "Manchukuo"; but much more profound implications are not, by its terms, excluded.

Japan has presented the world with the accomplished fact. We wait to see what the world will have to say in reply. The reply of China we have not had to wait for. It is an appeal to the world, and especially to the Powers signatory to the Nine-Power treaty, to uphold the sanctity of open covenants, openly arrived at and openly avowed. The world is not called upon by virtue of any secret agreements to support a policy invented in the dark by a nation working in secret. China calls upon the world to take its stand, emphatically and decisively and effectively, for those principles to which it is pledged by a whole *dossier* of international agreements. The Government at Nanking has effectively voiced this demand. On the response depends to an almost incalculable extent the peace of the Far East in the immediate future. Chinese patience has been exemplary, patience alike with China's Government and with the world as represented by the League; but even Chinese patience has a limit, and the margin is narrowing every day.

PEKING & TIENTSIN TIMES. SATURDAY, SEPT. 17, 1932.

**"L'AUDACE, ENCORE
L'AUDACE, TOUJOURS
L'AUDACE!"**

"On the 15th Day of September in the First Year of Tatung, our good neighbouring country, the Japanese Empire, recognized the newly risen Manchukuo before an others. This is the greatest honour conferred upon us. By the recognition, the foundation is laid for the construction of a happy land ruled by righteousness, through the co-operation of all the races residing in the domains.

"We are filled with ecstasy. Our conviction is evermore firm that, the sun rising in the yonder horizon, peaceful sunlight is sure to flood us with glorious rays in time to come. We are unanimous in the hope of giving full scope to the glory of the Orient in this land, not set back by blasting winds coming from the north and threatening clouds appearing in the southern sky.

"All are welcome to come and live here in peace and friendship. As for us, we shall protect our home country, make every one equally enjoy the benefit of our economic system, and spreading it everywhere, establish the example for universal harmony."

THIS, we are told by Rengo, was the statement issued by the Hsieh-hohui (Party of Union) in Manchukuo, simultaneously with the recognition of the State by Japan. It is a comfort to feel that in this world of woe and tribulation there are people who can rise to such heights of ecstasy. We do not share that bliss, nor that vaulting optimism, whether real or assumed. Indeed, the latest development in the Manchurian drama arouses no emotions at all, though, as our oftwearyed readers know only too well, we are normally much moved by historical events and what we are prone to call, with a pomposity that should produce blushes, the "workings of history." Not that we underestimate the gravity of the occasion in Changchun. But it only makes the situation just a little graver than it was before. Moreover, the recognition and

the Protocol come as an anticlimax. Tokio has been talking ceaselessly about it for months. A dozen dates have been set for the deed, the procedure generously leaked out beforehand, the significant comings and goings of great personages in Tokio and in Manchukuo have been minutely recorded, and the simplicity and terms of the Protocol were indicated well in advance. Now it is all over. In the interval we await the next act.

The independent State, as the price of recognition by Japan of its independence, has been compelled to swallow, hook, line and sinker, all those Treaties, Agreements, rights and interests which Japan has acquired since she embarked on her Continental policy by the conquest of Korea. She has surrendered nothing, not a jot or tittle. The Leased Territory is not absorbed by Manchukuo; the South Manchuria Railway is not to be administered by a Changchun Ministry of Communications but maintains its independence. It might even be said by the sceptics that the Leased Territory has swallowed Manchuria and that the S.M.R. has absorbed the entire railway system of the territory. And if anybody proclaimed in the hearing of a Japanese with a sense of humour that Mr. Pu Yi and his Premier had more power than the distinguished General who is the original Pooh Bah come to life, his sally would be greeted with a broad grin. Japan implores the world to look at realities. We could wish it to do nothing else. The only direction in which there has been the slightest hint of a modification of "Imperialistic" privileges relates to Extraterritoriality. We are told that there is to be a wholesale construction of new prisons in preparation for the abolition of these rights, though we are not notified for whose especial benefit they are to be built. Nor has it been stated that Japan proposes to abandon her own Extraterritorial rights. Foreigners who have been given to understand that the funda-

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mental object of all these things is based on the slogan "Asia for the Asiatics" may, or may not, be reassured.

The Changchun Foreign Minister a few days ago said that "if China continues to remain in her present lamentable state, who can vouch that further independent countries will not make their appearance." In view of these possibilities, let us apply the terms of the Protocol not of Manchukuo alone but to the whole of China:

(1) China shall confirm and respect, insofar as no agreement to the contrary shall be made between Japan and China in the future, all rights and interests possessed by Japan or her subjects within the territory of China, by virtue of Sino-Japanese Treaties, Agreements, or other arrangements, or Sino-Japanese contracts, private as well as public.

(2) Japan and China, recognising that any threat to the territory or to the peace and order of either of the High Contracting Parties would constitute at the same time a threat to the safety and existence of the other, agree to co-operate for the maintenance of their national security, it being understood that such Japanese forces as may be necessary for this purpose shall be stationed in China.

It does not look quite so good put in this way. Yet if we look back to 1915, when Yuan Shih-kai was trying with some success to consolidate his power in China, and peace and order far exceeded in quality the conditions we encounter in this country—and in Manchukuo—today, and read over again the famous Twenty-one Demands, including the notorious Group V, the numerous Agreements with the Anfuites in pursuance of which Japan poured nearly Yen 200,000,000 into Peking—Agreements which included a Military Pact aiming at precisely the same objects as Clause 2 of the Protocol of Manchukuo—we shall realise, with a force that is almost staggering, that this Protocol expresses exactly the motive and purpose of Japanese Military policy in regard to China as a whole.

There have been two Governments in Japan and two policies. Both hitherto have failed. The Shidehara policy, which was also that of the other Powers, was undoubtedly the

wiser, but it had little aid from China, sought the same end by different roads, and was embarrassed by periodical assertions of the power and initiative of the Military Party. The failures of the Terauchi China policies and the bankruptcy of the Military policy in Siberia, the Army's miscalculation of the issue of the Great War, the consternation at the Armistice, and other blunders produced a profound reaction in Japanese public opinion. The soldiers proved that if they did, in truth, possess a monopoly of patriotism, purity, and courage, they did not possess a monopoly of wisdom. Now, for good or ill, their policy has been, firstly, imposed upon and now apparently accepted by, the nation, and it is impossible to see how Japan can recede from it now. The die is cast, and Japan is committed to Danton's slogan.

The major note behind recent events is defiance. Count Uchida himself cites it as one of the main reasons why his Government has once more beaten the pistol. Manchukuo was hastily created to anticipate the arrival of the Lytton Commission. Recognition was granted to anticipate that Commission's Report. Principle and expediency are inextricably mingled, but the dominant note is desperation and defiance. Even the Hsiehohui's lyrical outburst feels "the blasting winds coming from the North" (meaning Russia) and sees the "threatening clouds appearing in the Southern sky" (meaning China's ultimate decision to unite and resist) and defies them while they are merely the intangibilities of a foreseen wrath to come. We have come to a towering signpost at the cross-roads of Destiny, whereby the future of 600,000,000 people—and perhaps many more besides—will be determined. On the eve of the recognition of Manchukuo, General Araki, rejecting Chiang Tso-pin's plea for negotiations and offer of full satisfaction for Japan's legitimate desires, told the Chinese envoy he was too late. The past had passed, and must be forgotten. The road to negotiations, therefore, is closed. The drama must go on.

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WHICH IS THE SCRAP OF PAPER?

Searching Examination by Hu Shih.

A Dissenting View

What may be described as a dissenting opinion from the prevailing view in Chinese circles that the Covenant of the League of Nations, the Pact of Paris and the Nine-Power Treaty have become mere scraps of paper in view of the apparent inactivity of the signatories of those international instruments in face of Japan's recognition of "Manchukuo", is expressed by Dr. Hu Shih, the well-known Chinese scholar and philosopher, in an article entitled "Which Treaty is a Scrap of Paper?" which appears in the current number of the "Tu Li Pin Lun", or "Independent Review".

Dr. Hu first sets forth the salient features of the "Manchukuo" - Japanese protocol signed in Changchun on September 15 between General Muto and Mr. Cheng Hsiao-hsu, the declaration of the Japanese Government in this connection, and then the gist of the protest of the Nanking Government to Japan as well as the notes of the Government to the signatory powers of the Nine-Power Pact and to the League, drawing attention to the serious situation precipitated by the Japanese recognition of "Manchukuo."

Japanese Impudence

Referring to the declaration of the Japanese Government that Japan's action in recognizing "Manchukuo" is not derogatory to any treaty to which she is a party, Dr. Hu says that this statement is a clear indication of Japan's impudence in overriding all international treaties and undertakings. After asserting that Japan's action violates the first and second articles of the Nine-Power Pact, not to speak of other international treaties to which Japan is a party, Dr. Hu goes on to interpret the significance of that pact in relation to international affairs in the Western Pacific. "The Nine-Power Pact in itself is a blot on the modern history of China. When a state

is unable to safeguard its sovereignty and independence and its territorial and administrative integrity, and lets other states discharge this duty for it by treaty engagement, it is a very disgraceful thing. But the Washington Conference was called for a definite purpose. After the close of the Great War, the Balance of Power in the Far East had been completely upset with the result that the leadership of the Western Pacific fell into the hands of Japan. As China was not capable of meeting the situation created by this change, the United States decided after consultation with Great Britain, to call the Washington Conference to discuss armament reduction as well as the Far Eastern question in order to enable China to extricate herself from the grip of Japan and to make her political development a matter of common concern to all countries on the three continents of Asia, Europe and America."

The Helpful Nine-Power Treaty

Continuing, Dr. Hu says that although during the last ten years China has not made full use of the opportunities afforded her by the Nine-Power Pact for her own development and reconstruction, it cannot be gainsaid that the treaty has enabled her to recover many lost privileges and enjoy ten years of comparative international security. This is what Japanese expansionists did not like, and the succession of political troubles in Great Britain, the worldwide economic depression of the last three years and America's own economic difficulties combined to turn the attention of the European and American countries from Asiatic affairs and gave Japan the long-looked-for opportunity to free herself from the engagements of Washington, solve the Manchurian problem according to her own volition, and thereby deal a blow to China's nationalist movement.

In the opinion of Dr. Hu, the Nine-Power Pact is more important than the Covenant

of the League of Nations from the standpoint of international relations in the Far East, because, of the four principal Pacific Powers, three are signatories of the former, namely the United States, Japan and Great Britain (Russia being the only non-signatory), whereas the League claims only two Pacific powers as members, both Soviet Russia and the United States being out of the League. But the Nine-Power Pact does not stand alone, and as a result of American participation in the League deliberations over the Manchurian question and the conclusion of the Pact of Paris in 1929, the three most important instruments on which the post-War international order is based have become interlocked.

The Hoover Doctrine

Dr. Hu next recalls the pronouncement of the American Government made on January 7, since then known as the Hoover Doctrine, which is that the United States does not intend to recognize any situation, treaty or agreement which may be brought about by means contrary to the covenants and obligations of the Pact of Paris, and also the resolution adopted by the Assembly of the League on March 11 that it is incumbent on members of the League not to recognize any situation, treaty or agreement which may be brought about by means contrary to the covenant of the League or to the Pact of Paris. Dr. Hu considers it particularly significant that President Hoover referred to this new doctrine in his speech of acceptance of the Republican nomination for the Presidency last August. "These important declarations of policy no aggressor nation can afford to ignore. Reading them over again at this time, when Japan had just recognized the puppet state and signed a protocol with it, we feel that they take on a special importance."

Quoting Mr. Stimson's characterization of the Pact of Paris as a treaty as yet untested, Dr. Hu says that the test for both this pact and the Nine-Power Treaty has come, for the Chinese Government

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hss invoked them in its appeal to the world for an impartial judgement of the Manchurian controversy.

"The hesitation of the League of Nations to apply Article 16 of the Covenant during the past year, coupled with the fact that neither the Pact of Paris nor the Nine-Power Treaty provides for sanctions, has led many pessimists to the view that it is futile for the Government to invoke these two pacts. For they ask: are they not two scraps of paper? In this view our pessimists are in the same camp with such Japanese imperialists as Araki and Uchida."

The Potent Sanction

Dr. Hu next quotes from the Stimson speech of August 8 to show that despite the fact that the Kellogg-Briand treaty provides for no sanctions of force, it rests upon a much higher and more potent sanction, namely that of public opinion. "The Stimson pronouncement is really a landmark in modern history. It represents a new political philosophy which inspires American diplomacy,—the philosophy of idealism. What Colonel Stimson terms a new viewpoint not only cannot be understood by Japanese imperialists but may sound incredible to our pessimists. As a matter of fact, this new viewpoint is neither difficult to understand nor is it a bluff intended to mislead the public.

"International politics are governed by the same principles as national politics. It is true that the power of a government rests on force, but this force is not necessarily armed forces. Generally speaking, the strength of a government depends upon social usage and sanctions of public opinion. Municipal government, indeed, may be likened to a "paper tiger". It owes its strength to certain invisible forces, such as thought, belief and custom. So long as the government commands the support of these force, it can secure the arrest of a mighty general by a mere paper man-

date and even order his execution. Once this "paper tiger" is exposed, the Government can command neither money nor the obedience of the army. Therefore, those well versed in statescraft, choose to build up public confidence in government, preferring to play the part of a "paper tiger", and not wishing to abuse their power. If every contract, law or mandate had to depend upon armed force for its validity or fulfillment, then government would not be worthy of the name.

"This is true of international politics. Held shortly after the Great War, which left Japan's military power practically intact, the Washington Conference succeeded in forcing Japan to relinquish Shantung and yield the position of hegemony in the Far East which she had built up during the War. Why? Because the idealism of President Wilson still permeated the thinking of the world at that time.

The International Order

"The League of Nations to-day is built on the support of public opinion. As a matter of fact, the international order to-day is held together not by force, but by something more powerful than force, and that is the need of each state respecting its international obligations and the fear of disapproval of world opinion in case such obligations are not kept. This force, to put it bluntly, is like the force of a paper tiger before its real character is exposed. However, if this international paper tiger is shown in its true colours, then international treaties and undertakings will become nullities and the world will be plunged into chaos. For their own enlightened self-interest as well as for the sake of world peace, the European and American countries will never allow Japan to destroy this "paper tiger". The reason why the United States co-operates with the League of Nations, is that she wishes to maintain this "paper tiger", which is what Colonel Stimson describes as the moral judgement of the

world. In this way Colonel Stimson addresses himself to Japan. 'Moral disapproval, when it becomes the disapproval of the whole world, takes on a significance hitherto unknown in International Law. For never before has International Opinion been so organized and mobilized.' "

Japan not Uninfluenced

Continuing, the eminent Chinese scholar says that the Japanese imperialists, despite their professions to the contrary, have not shown themselves entirely oblivious to the moral disapproval of the world. "Why is Japan sending so many trained propagandists to Europe and America? Why is she spending so much money on propaganda abroad? All because she hopes to decrease the world's moral disapproval of her action in China. Again, why should the Japanese Government say that its action in recognizing 'Manchukuo' is not derogatory to any treaty to which Japan is a party? Why should Japan constantly harp on the fact that her action in Manchuria is necessitated by the right of self defence? Because the Kellogg-Briand Peace Pact outlawed all wars except those fought in self defence. But this argument on the part of Japan can never conceal the real truth from the world.

"Colonel Stimson said on August 8: A nation which sought to mask its imperialistic policy under the guise of the defence of its nationals would soon be unmasked. It could not long hope to confuse or mislead public opinion on a subject so well understood or in a world in which facts can be so easily gathered and appraised they can be to-day."

"This is a very grave warning" Dr. Hu writes in conclusion. "Let us wait and see which treaty will turn out to be a scrap of paper in the not distant future: the League Covenant, or the Nine-Power Pact, or the Pact of Paris or the protocol signed at Changchun on September 15 between General Muto and Mr. Cheng Hsiao-hsu."—*Reuter*

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