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Speaker. **D.** Wellington Koo.
Chairman Major General SirNeill Malcolm.

A CHINESE VIEW OF THE FAR EASTERN QUESTION.

The main charge which Japan brought against China was that she had not observed the Secret Protocol of 1905. This Protocol was part of the Treaty of Peking signed in 1905 and under it, it is claimed, the Chinese agreed not to build parallel railways to the Southern Manchurian Railway which would compete with its carrying trade and reduce its commercial value. The Lytton Commission went to great trouble to ascertain if such a stipulation was made in this treaty and discovered that the only reference that was made was in the minutes of the treaty and not in the treaty itself.

The treaty of 1915, commonly known as the 21 Demands was presented without any cause and was signed by the Chinese under duress. The Japanese claimed that it was their need for security which forced them to make these demands and this same question of security was raised by them before the Sino-Japanese war in 1894/5. The real reason for the war can be found in Japanese books before the Korean war. The Japanese

were out to conquer the whole of China; their policy was imperialistic.

The brutal killing of Chinese in Korea was the true cause of the boycotting of Japanese goods. It had then used as a defensive measure against Japanese aggression.

There undoubtedly was instability in China & it was due to economic political and other causes. "These symptoms of unrest," said Mr. Wellington Koo, "we look upon as signs of vitality in a reawakened people." "We are in process of throwing over a tradition which is 5000 years old. Despite these disturbances of nation building we are making progress." Look at the figures of our foreign trade. In 1901 our total foreign trade was worth 498 million taels. (A tael is worth about 2/-) In 1911 this trade was 849 million taels. In 1921 it was worth 1 billion 800,000 taels. And in 1930 the amount was 2 billion, 204,000 taels.

The national philosophy of the Japanese is the real reason for their actions in Korea & Manchuria & Mongolia. 17th century writers

advocated the conquest of China starting with Korea. These ^{intentions} are much appreciated in Japan today. The Japanese northward policy which was started in 1873 is still alive. Japan has become another vital "line of defence" for Japan. The taking of Formosa was the first phase of the southward push in Japan's continental policy. After the great war when allied forces were in Manchuria, Japanese forces remained until 1924 although all other allied troops had left.

The spirit of Japan is one for Empire. There is a lust for territory. I speak as one who has experienced the results of this policy of Japan which has been in existence for the last 70 years.

The situation in Manchuria could have been put an end to if the League of Nations had shown a firm hand at the start. The position today is difficult. Japan would suffer loss of honour if she relinquished "Manchukuo" now. But these reasons are not serious difficulties to us. A situation has arisen which was fundamentally

wrong in its inception. That which is founded on a wrong cannot become a right.

The policy which is followed in regard to this burning question will have effects on the future of the world. The Covenant, the Pact of Paris and the 9 Power treaty are the columns of the new edifice which we have so recently built and we must do our best to strengthen them.

A China content and prosperous is a great factor in the peace of the world. Are we going to let the important treaties on which the future well-being of the world depends be weakened or destroyed? Here we have in Manchuria a clear violation of these sacred principles. After the outpouring of blood during those long years 1914-1918 are we going to allow their violation? If so, our one hope will vanish in the morning mist.

We shall be giving up the struggle for law and order and resorting to a situation in which force shall be the supreme arbitrator. If we can only uphold the sanctity of these 3 treaties, it will help to solve the problem of Disarmament.

Prosperity of ~~Japan~~ Manchuria
since Japan undertook its
development.

Population in 1907. 19 mill.
" today 30 mill.

due to Influx of Chinese refugees

World opinion was not
sufficiently unanimous to be
effectually mobilised by the League

The League must not become a
cover for national incompetence

Peace handbook published by the
British Govt in 1920.

Economically the greatest need
of Manchuria is security of
life & property & freedom from
tyranny.

Effective sovereignty is one of
the conditions which the League's
Mandate Commission has laid
down for ~~the~~ admission to the
League of Nations.

CHATHAM HOUSE.

Speaker: Mr. Yusuke Tsurimi.

Chairman: Lt. Gen. Sir George Macdonogh. C.B.E. K.C.B.K.C.M.G.

October 4th, 1932.

Japan, after 218 years of perfect seclusion, had entered the arena of world affairs. She had dreadful enemies in the North; nevertheless, for 25 centuries she had succeeded in defending herself and had never been invaded.

Japan staked her life when she began fighting in the early nineties. Ten years later when Russia was reaching down to Korea, Japan had again to take up arms. She took Manchuria from Russia and returned it to China.

Population. In 60 odd years the Japanese population had doubled. In 1868 her population was 32 million; today it was 60 million. Her population was $2\frac{1}{2}$ times greater per square mile than that of Belgium, and 7 times that of France.

The Japanese an Educated People. The Japanese were an educated people, the number of illiterates being less than 6% of the population. There were twenty to twenty-five million new books published every year as compared to fifteen million in England. As a country she still had time to read as she had not taken to automobiling to the same extent as Western countries.

Industrial Growth. In 1868 90% of the Japanese population were living in agricultural districts, but by 1890 50% of the inhabitants were living in cities.

Democratic Government. In 1925 universal male suffrage was introduced, the only qualification for an individual being that he had to be 25 years of age. While the cost of an election used to be very small, and only demanded of a political candidate the small sum of 2/- the charge for his carriage to the election, it had now grown to be an expensive procedure costing him some 50,000 yen, roughly £5000. At the same time Japan had suffered from war profiteers and the wealth of the country had become concentrated in the hands of the few.

Policy. From the Versailles Treaty in 1919 up to 1931 the foreign policy of Japan had been liberal in character, but since then it had altered. For the problem of finding a place for its growing population had become a serious one.

Emigration Impossible. There were one million births every year and, as emigration had become impossible, an impasse had been reached. Before 1868 Japan had practised birth control and the population had remained stationery, but that was no longer the case.

Alternative to Emigration. The alternative solution to emigration was for Japan to increase her industries, but she lacked raw materials; although there was a plentiful supply in Manchuria.

World Depression. Since the depression of 1920 onwards the position of Japan had worsened. Her agricultural workers were earning less than 2/- a day, and because of this state of affairs and the continuance of bad times, Marxism had gained a decided hold on the country and over 200,000 copies of Karl Marx's famous work on capitalism had been purchased.

Social Reform. It was, strange to relate, the young army officers who in 1930/1931 had taken up the question of social reform. But the result had only been to encourage the government of Nanking to take up a provocative attitude, for the raising of broad social questions in regard to the problems confronting both China and Japan in their relations with each other did not appeal to the Chinese authorities. In fact, the conciliatory policy of Japan only caused the Nanking government to say that the Japanese had not fought for 20 years and were growing soft, while the Chinese, owing to their constant civil wars, were virile, and now was the time to drive Japan out of Manchuria bag and baggage.

Policy. As a consequence the policy of Japan in 1931 became changed; its avowed object was to save Manchuria from the anarchy which prevailed in China. The result of Japanese action was that Manchuria became a haven of peace. For many years Chang-tso Lin kept order in Manchuria by confining his attention to internal affairs, but he was not content with doing that and attempted to control Peking and the rest of China.

Manchurian Affairs. During 1930 and 1931 feeling between the Japanese and Chinese ran very high and an outbreak in Moukden or somewhere was feared. The Japanese were growing more and more impatient at the constant interference in the Southern Manchurian railway area, as well as attacks on their nationals despite their treaty rights. Nevertheless, many of

their people criticised the act of September 18th, 1931. It was only when the statements at the Council were flashed back to Japan that opinion changed. The Japanese thought that they were being given unfair treatment and this united Liberals and Socialists behind the government and supported them in their action.

There is no doubt that the newspaper reporters at Geneva sent biassed reports to Japan, especially was this so in regard to information received through American sources. We were, in fact, misled by the "news" that we were getting, and thus opinion hardened in Japan and we were united behind the government.

In November last the wish of the majority was for a League mandate over Manchuria. The chief characteristics of the Japanese are loyalty and love of moderation. But we feel that in this case we were pushed into a corner and that we had no alternative but to act as we did. In a year and a half moderate opinion may be able to assert itself again. At heart we know that China and Japan stand and fall together. Japan is grateful for the moderation shown by the British. We look upon this question as an entirely domestic affair. The 1924 American Emigration Act made us turn our face to Asia.

Sir Frederick Whyte (late advisor to the Chinese government) said that the Lytton Report was too late because of the action of the military party. He thought that the Japanese policy spelt isolation.

Mr. Walton Newbolt also spoke.

MANCHURIA: THE COCKPIT OF ASIA.

By Colonel P. T. Etherton and H. Hessel Tiltman. (Jan: 1932).

The Chinese closed with the Russian offer, which was the cession of the maritime province of Manchuria, complete with six hundred miles of coast line and the harbour of Vladivostok. Considering the vastness of the Chinese empire, occupying as it does one-seventh of the land surface of the globe, and containing a quarter of the human race, the surrender of a comparatively insignificant piece of territory did not appear to the Chinese emperor anything out of the ordinary, for being supreme landlord of the whole of China, in theory at any rate, he no doubt felt well able to afford it. 15.

In 1891 the Trans-Siberian Railway had reached Eastern Siberia; slowly but surely it was creeping across Asia, opening up a land of immense distances, where transport in the summer was by cart and during the long winter months by sledge. It had for many years been thought fit only for exiles and criminals. a land that was a byword, at the gateway of which might well have been written "All hope abandon ye who enter here." 17.

From Manchuria and the adjacent land of Mongolia, the land of the Living Buddha, the Mongol hordes in the twelfth and thirteenth centuries set out to conquer Asia, and in the process they subdued half Europe, penetrating as far as the Adriatic Sea and the western borders of Hungary. They would have advanced much further but for the death of their leader, which necessitated a return to their base in far Mongolia.

From Manchuria also came the restless Manchus, contemporary with Charles 1 of England, whom the Chinese thought to keep out by the Great Wall which they had erected fourteen hundred years before. But the Manchus were not to be deterred by anything so trifling as a wall, although it might be the greatest the world has ever seen and the only thing on earth that astronomers tell us could be seen from the moon. They scaled the wall and occupied Peking, founding the Manchu dynasty in 1644, which lasted until the collapse of the empire in 1911.

Twelve centuries before the Manchus descended on Peking, they had equipped a vast armada of Chinese junks, with high stern and low bows, sailing across uncharted seas to find a new world in Japan. They carried furs with them, for Manchuria is a country second to none in tiger, sable, fox, and ermine, and in return they brought back silks and brocaded goods for which Japan was famous even in those remote days. 40.

When Marco Polo crossed Asia to visit the court of Kublai Khan, the Mongol emperor, in the thirteenth century, the Mongols were then at the zenith of their power and fame; they had created an empire stretching from the shores of the Yellow Sea to the Danube, but not satisfied with these conquests, equipped a fleet of eleven hundred vessels to sail against the Japanese. On the way a great storm came up, the entire armada was wrecked, and the largest naval expedition in medieval history ended in disaster. 41.

Its varied crops give valuable yields; tobacco, fruit, vegetables, and above all wheat and other grains, for, contrary to the widely-held belief, millions of Chinese live not on rice but on wheat. 41.

The Manchus who originally conquered China in 1644 formed part of the Tartar race, allied to the Mongols, who were welded into one great fighting people by Nurhachu, Mongola Napoleon, of quite humble descent, whose father owned a few small villages which were formed into one state and called Manchu. Nurhachu extended this, accounted for the neighbouring chiefs who were rivals, and gradually cleared the way for a more or less undisturbed rule. He was a statesman as well as a soldier, his laws were few but they were swift in application, and his people secured much better justice than they had hitherto known. In consequence he gathered to his standard an enormous number of adherents, and so definitely put Manchuria upon the map.

Of the Manchus there are probably not more than one million, and only 5 or 6 per cent of the people now speak the Manchu language; Chinese has long since taken its place. The Manchus are uncommon objects in their own country, and where found they dress similarly to the Chinese. A few are left far up in the mountains, remote fastnesses where they eke out a scanty existence by fishing and hunting, in addition to some cultivation of the ground. 42.

If Manchuria can support a population greater to the square mile than that of the most densely crowded country in Europe, it will be due to the yield of agriculture being much higher, coupled with capacity for work and a passion for getting the most out of the land.

The vast majority of the population today is Chinese, the construction of the railways having brought an influx that since 1925 has totalled about one million five hundred thousand annually. This immigration, which is the main aspect in the

transition of Manchuria, arose partly from the anarchy and chaos prevailing elsewhere, the incessant civil war, and the numberless factions fighting for power and loot in the twenty-two provinces of China. 44.

In 1931 about two millions came in from China, spreading out over the farmlands in this fertile corner of north-east Asia. 45.

The lines were driven through the land and have been constantly added to, until the time has come when Manchuria can show more railway construction than any country in the world. 46.

In the towns and villages there are no laws governing the conditions of labour in industry, and members of a guild therefore give mutual aid in acts of industrial aggression, while those who fall on evil times or are unemployed, receive benefit to the extent of about one-half their usual earnings. 47.

With the rise of new forces in Manchuria, the proximity to Soviet institutions and influence, and to some extent the supplanting of the guilds by modern labour unions organised on Communist principles, the power of the old guilds will probably decline. Already the march of events is robbing them of their significance, except in local matters. 49.

The Japanese are kept busy hunting down these brigands, a difficult proposition, for these highwaymen regard their occupation as an honourable and traditional right, and parents enter their children for the ranks of the "Hunhutza" as we might send our sons to Sandhurst or West Point. 52.

Prior to the revolution of 1911, the system of local government was comparatively efficient, but the transfer from a monarchical to a republican form of government brought in a lower class of men who secure their positions by purchase and by ingratiating themselves with the local war lord or official temporarily in charge of the area. 54.

The vagueness, uncertainty, and barbarity of Chinese law justify the many objections to relinquishment of extra-territorial rights held by foreigners. 55.

Speaking generally Manchuria is a blend of forest and meadow land, but as yet less than half the arable part has been ploughed, and there are still immense areas available to settlers. It is estimated that the country is capable of

supporting a population of upwards of one hundred millions, and when that number has been accommodated there are the grass lands of Mongolia to the west, which must in time be absorbed by either Chinese or Japanese settlers. 57.

Manchuria, especially in the south, is a second California, the climate being favourable to the growth of fruit, and soon we may see canning factories established there and Manchurian produce despatched to the four corners of the earth.

In several ways we have depended upon Manchuria without always realising it; for instance, the women in Europe and America who wear beautiful-looking furs that are given high-sounding names, would doubtless be surprised that these furs once covered Manchurian dogs. 58.

So far as America is concerned more furs are imported from China than any other part of the world, so that the supply must equal the demand, although not of the actual quality the purchaser believes. 59.

The development was carried out mainly with American material and advice, up-to-date machinery was imported, operations in the Mukden and Fushun coal areas yielding immense quantities of coal, and even with war and anarchy ruling supreme the output in 1931 totalled over seven million tons. 59.

The Mongols and Manchus are the original example of mounted infantry, they possessed the most mobile army on earth, and under their restless leaders they sacked Moscow one summer and were at the gates of Delhi the next. The most famous of these leaders- Timurlane- in the thirteenth century dethroned no less than twenty-seven kings and even harnessed kings to his chariot.

So stock farming was the chief occupation of these hardy people; then with the entry of the Chinese the rich lands were gradually put to the plough, and today only a shadow of the old pastoral age is visible. 61.

When the Japanese assumed charge of the leased areas in South Manchuria they took the initiative in the work of afforestation, over one hundred million trees being planted in the zone under their control. 62.

Economic collapse and general depression, followings on the widespread factional strife and outbreaks, have

scarcely affected Manchuria, but revenue has been squandered on military expeditions with political ascendancy as their aim, and only the presence of Japan has saved the country from bankruptcy and disruption in every sense. 64.

The standard of living, hygiene, and comfort within the European and Japanese quarters is the result of years of constructive energy, and control of them should only be relinquished when there is a certainty of responsible government authorised to speak for China as a whole. 67.

The development and constructional work that Russia carried out in Manchuria were colossal; the two lines in question, the creation of Port Arthur as a naval station, the extensive fortifications, the conversion of the fishing village of Dalmny into one of the world's busiest ports, with its spacious squares laid out like an American city, the wide avenues, and the docks and wharves, are a monument to Russian activity and enterprise at that time. 71.

The South Manchurian line is remarkable in more ways than one; it is the most curious and complex organisation of its kind, for not only is it a railway company, but conducts as accessory enterprises, coal mines, iron works, docks, wharves, warehouses, and is engaged in educational, hygienic, and other public works. Running in connection with it are joint stock companies, gas works, electric light institutions, and hotels. In fact, it operates as a corporation, a railway, and a political, economic, and commercial concern, with a volume of business that is the largest of its kind in the world. Its history is also to a large extent that of Manchuria, for both are inseparably bound together. 72.

The South Manchurian Railway lives through thrilling times, for it is frequently raided by Chinese bandits, of the Hunhut type, who move in bodies of fifty to a hundred strong, holding up trains whenever the opportunity offers. In the past five years there have been over twelve hundred raids, so the Japanese have their hands full, and it is a marvel how they maintain the services in such an efficient condition.

Much controversy has arisen over Japanese aims and objects in Manchuria. 73.

Tokyo Document of June 1927.

It is therefore necessary to take stock of a remarkable document, one of the most sensational that has appeared amongst all the many statements concerned with the

colonisation, development, and general exploitation of a new continental empire of the East. This document was issued as the outcome of a conference held in June 1927 in Tokyo, which all officials, both civil and military, who were directly or indirectly connected with Manchuria, and the adjacent country of Mongolia, attended.

Premier Tanaka describes his journey to Europe and America to ascertain the views of the Powers towards the Nine-Power Treaty, as regards Japanese influence in Manchuria and Mongolia, of his return to Japan through Shanghai, where he narrowly escaped death at the hands of a Chinese assassin, and his subsequent recommendations to the emperor.

"In the future if we wish to control China the primary move is to crush the United States, just as in the past we had to fight the Russo-Japanese War. But to conquer China we must first take Manchuria and Mongolia. If we conquer China the rest of the Asiatic countries, and those of the South Seas, will fear us and surrender. Then the world will realise that Eastern Asia is ours. and will not dare to violate our rights. This is the plan left to us by the Emperor Meiji, the success of which is essential to our national existence."

"However, the most unfortunate thing in our declaration of war with Russia was that the Japanese Government openly recognised Chinese sovereignty over these regions, and again later on at the Washington Conference when we signed the Nine-Power Treaty.

"Although the Chinese speak of the five races of their dominions, nevertheless Tibet, Chinese Turkestan, Mongolia, and Manchuria, have always been special areas, the sovereign power remaining with the local rulers. So long as they retain administrative functions the sovereign rights are clearly in their hands; we may regard, and negotiate with, them as the ruling power, for rights and privileges. We must recognise, and support them as the ruling power.

"Once the opportunity comes, Outer and Inner Mongolia will be definitely ours. While the sovereign rights are not clearly defined, and the Chinese and Soviet Governments have their attention engaged elsewhere it is our opportunity to quietly build up our influence. Once we have purchased most of the land there will be no room for dispute as to whether Mongolia belongs to the Japanese or the Mongolians. Aided by our military prowess we shall realise our positive policy."

The memorial declares that a conflict with Soviet Russia in the near future is inevitable. "In that event we shall again play our part in the Russo-Japanese War; the Chinese Eastern Railway will become ours as the South Manchurian line did last time. It seems a necessary step that we should draw swords with Russia in Mongolia, to gain the wealth of North Manchuria, for, until this rock is blown up, our ship is denied smooth sailing."

That part of the memorial dealing with the projected railways is of great interest, and throws sidelights on every aspect of the Manchurian problem. 73/80.

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The Nine-Power Treaty is remarkable in that it really originated as the result of the secret presentation of those notorious Twenty-One Demands, and the necessity for insuring against a repetition of such unparalleled action. Under its terms, as well as by those of the Covenant of the League of Nations, Japan agreed to consult with other nations concerned prior to undertaking any naval or military operations in or against China. That she has omitted to do so in the case of the military operations in Manchuria is due to the war party having forced the pace, and precipitated action with which the civil authorities are not entirely in accord. 92.

As merchants and traders the Chinese are outstanding examples of honour and devotion to a sense of their obligations. Their word is as good as their bond, and once an obligation has been incurred they never deny it. Cashiers of banks, and other institutions where there is much money passing, are invariably Chinese, and as managers they are both quick and reliable. 93.

A dominating force with the Japanese is patriotism, an unknown quantity amongst the Chinese, amongst whom there is no public spirit or subordination to the common good, a great disadvantage to a nation in the making. 94.

This knightly code of honour dates back to an era long before the dawn of Christianity, but it is not so much a religion as a philosophy, that knows nothing of the bitterness of religious persecution. It confines itself to loyalty and devotion to those in superior authority, and to the imperial house in the person of the emperor, the representative of the oldest dynasty in the world, which goes

back for nearly three thousand years. The Articles of the Japanese Constitution tell us that "the sacred throne was established at the time when the heavens and the earth became separated, that the emperor is heaven-descended, divine and sacred, that he is pre-eminent above all his subjects, and must be revered and remain inviolable." 95.

The Russian has never been persona grata in the East; his ways and methods have filled the Eastern people with alarm, he was too dominating, he paid scant attention to their feelings, and was scornfully oblivious of the rights and privileges they held in their own land. 96.

The part the railways have played in Manchuria has already been indicated; more than 3700 miles of track have been built since 1897. Of this China owns half, Russia 1070 miles, and Japan 700. In commercial importance, however, the Japanese-owned South Manchurian Railway occupies a commanding position, linking up the rich and fertile plains of the south with the modern port of Dairen. 99.

In 1929 the production of soya beans amounted to 221,000,000 bushels, or 5,300,000 tons, a figure exactly double that of fourteen years earlier. The soya bean and its by-products - oil and cake - are the foundation of Manchuria's prosperity and commercial importance. For the Manchurian bean has assisted, to a greater degree than any other single import, in solving the pressing food problem of heavily populated Japan.

A Report of Progress issued by the South Manchurian Railway Company in 1931 shows that, of 4,721,000 tons of beans and bean products exported in 1929, 40 per cent went to Japan, 44 per cent to Europe, 13 per cent to China, and the balance to the United States and elsewhere. 99.

Chinese Farmers who, as Sir H.E.M. James has stated, "get up at two in the morning, work with hardly any intermission until dark, and then go to bed at once, so as to rise again early the next day. The result is marvellous. 101.

The number of persons engaged in the fishing industry within the territory leased to Japan alone is 30,000 Chinese and 141 Japanese, and the annual catch is valued at 4,682,000 yen. 102.

Whereas in 1907 the total trade of the Three Provinces was 6 per cent of China's foreign trade, by 1929 it had increased to 20 per cent. 103.

Coolie labour is provided in abundance by the continued and rapid migration of Chinese to Manchuria, and even in the Japanese zone more than 93 per cent of agricultural workers, 96 per cent of miners, and 88 per cent of factory hands, are Chinese. 103.

Since 1905, order and security for life have been preserved without serious interruption, a state of affairs for which the Japanese authorities are entitled to their share of credit, but not, however, to all of it. Subsequent to the formation of the Chinese Republic, Manchuria enjoyed a position almost of independence under the rule of Marshal Chang-Tso Lin, a ruler who for twenty years applied the remedy of immediate execution for the crime of banditry within his territories, and whose favourite question to foreign visitors in Mukden was, "Where in China are human life and property safer than in Manchuria?" 108.

She has complete control of the most important railway system, of all mining and timber resources in partnership with the Chinese, to the exclusion of all other nations, whilst only Japanese have the right to carry on industrial undertakings. The powers accorded to Japan permit her to veto construction of any line which could compete with the South Manchurian Railway, and gives the right of extension and construction within that area. Only Japanese settlers are permitted to establish themselves within the railway zone, but Japanese may reside and trade wherever they wish in Southern Manchuria. In effect, Japan has secured a position of complete economic ascendancy within the region. How, then, has that position been used, and what does it mean to the Japanese people? 109.

Japan has not attempted to utilise her extensive Manchurian interests to flood the region with her surplus population: the Japanese peasant cannot compete with the Chinese labourer. Rather does she regard the Three Provinces, and especially the area adjoining the South Manchurian Railway, as an outlet for the energies of her over-crowded professional classes, a virgin field for the brains of her industrialists, for the investment of her capital, and, most vital of all, as a reservoir of the food and raw materials which are the mainspring of the Japanese nation, which, be it remembered, must import one-fifth of the food needed for her people. 110.

Of the total trade of Manchuria, 40 per cent of both exports and imports are in the hands of the Japanese. 111.

Thus began a partnership resulting in Japanese investment up to 1931 in Manchuria of over 2,147,000,000 yen of Japanese gold, with dramatic repercussions on the

peace and future prospects of the Far East. 112.

Coal, iron, and petroleum are all vital to Japan's existence. Her island home is deficient in all three, but they exist in Manchuria. 113.

Japanese public opinion supported and applauded the swift action taken by their army commanders in September 1931, support so unanimous that it definitely prevented the Japanese delegate from making any real concession during the negotiations conducted by the League of Nations Council at Geneva and Paris.

For the reason behind that display of national unity it is necessary to look back to 1905, when those very concessions and privileges which the Japanese people believed to be endangered by the hostility of China were gained in the war with Russia, at a cost to the Japanese people of 200,000 lives and 2,000,000,000 yen of gold. That war, say the Japanese, was fought by Japan to recover Manchuria and Mongolia from the clutches of Imperial Russia. It was fought with China's willing consent. It did not cost the Chinese one man or one penny. Japan won the war, and Manchuria returned to Chinese control, Japan retaining, in return for her sacrifices of blood and treasure, only those limited interests which she has since that date developed so effectively. 119.

Any funds available would be better invested in opening up regions at present entirely devoid of railway facilities, rather than in building lines in the one district of Manchuria already adequately served - building those lines, moreover, from political motives rather than under any spur of economic necessity.

Policy apart, however, the building of any line in the vicinity of the Japanese railway zone is a direct breach of the protocol attached to the Treaty of Peking concluded between China and Japan in 1915, in which China undertook not to construct any railway line "in the neighbourhood of and parallel to the South Manchurian Railway" while that line remained in Japanese possession. 121.

Foreign interests generally supported the Japanese in their decision, even while Nanking still protested that the fear of banditry was merely an excuse for Japanese "Imperialism" to aim another blow at a divided and embarrassed China. 131.

Further, it may be recalled that in 1920 the

Japanese Government made strenuous attempts to have Japan's financial and industrial activities in Manchuria and Mongolia excluded from the purview of the International Banking Consortium on the ground that the operations of this body might create "a serious impediment to the security and the economic life and national defence of Japan." Thus it will be seen that ten years before the recent crisis arose, Japanese diplomacy was using the blessed word "security" to justify the continuance of a position of virtual monopoly in Manchuria.

Nor is it surprising if the Chinese Government, faced with the statement that the Japanese occupation of Manchuria had become necessary to put down banditry and provide security for Japanese lives and property, remembered and found a parallel situation in the declarations made by the Japanese and American delegates at the Washington Conference regarding the continued Japanese occupation of Eastern Siberia after the Great War. At that Conference Baron Shidehara declared that Japanese troops were remaining in Siberia to protect the lives and property of Japanese subjects and the security of the Korean frontier. Their activity was "confined to measures of self-protection against the menace to their own safety and to the safety of their country and nationals."

Mr Hughes, American Secretary of State, commenting upon this claim, said that in the view of the United States Government the continued occupation by the Japanese forces of strategic centres in Eastern Siberia and their establishment of a civil administration in the areas occupied "inevitably lends itself to misconception and antagonism and tends rather to increase than to allay the unrest and disorder in that region." He further regretted that "Japan should deem necessary the occupation of Russian territory as a means of assuring a suitable adjustment with the future Russian Government" and said that candour compelled the Government of the United States to declare that it could not, either now or hereafter, "recognise as valid any claims or titles arising out of the present occupation and control and that it cannot acquiesce in any action taken by the Government of Japan which might impair existing treaty rights or the political or territorial integrity of Russia." 132/133.

"No nation can be prosecutor, judge, jury, and executioner in settling disputes with another, without becoming a potential menace to the entire civilised world," declared the Shanghai Evening Post and Mercury, commenting upon China's case. 134.

"It is not over the justice of her charges against China that we state our sharp disagreement with Japan; it is with both the wisdom and the justice of her method of arriving at a settlement. 134.

"It is both ridiculous and futile to insist that the Manchurian occupation is a 'local incident' being confined to 'local areas.' The fact is that the presence of Japanese troops in purely Chinese territory will continue to make it impossible to confine the aroused bitterness of China to any locality, as well Japan must know. As these bitter antagonisms arise, they will be pointed to as the causes of conflict; and for the purpose of keeping the record entirely straight, we reiterate our position. 135.

"This is not the first time that a moment when Western eyes have been distracted by other events has been seized by Japan to further her own policies," stated the Sunday Times, while the London Times (September 21, 1931) stated that "there is no excuse for the Japanese officers who struck the blow without consulting their Government. They have presented Nanking with a grievance." 135.

The real aims of Japan were political and economic, was the opinion advanced by foreigners in Manchuria, comparatively early in the conflict, that Japan would take the opportunity thus presented to seize and hold the Chinese port of Hulu-Tao, which during recent years had proved a serious competitor to the Japanese port of Dairen.

"This place." stated a correspondent in the Manchester Guardian (December 10, 1931), "is the real key of all the Japanese movements. Hulu-tao is a natural land-locked, deep-water harbour, capable of holding the entire Japanese fleet. This port is free for navigation, winter and summer. Possessed of Hulu-tao and with Port Arthur as an outpost, the Japanese navy would have complete and secret opportunities for movement. All its resources could be drawn from Manchuria. This harbour is an object of Japanese policy which they have never abandoned, and, whatever their declarations or their movements now, they are determined somehow to obtain possession of it."

To secure Hulu-tao, however. it was necessary first to occupy Chinchow. Here, perhaps, may be the real objective behind the Japanese capture of that city on January 2, 1932, in defiance of the resolutions of the League of Nations, and in the face of the protests made to Tokyo by the Governments of Great Britain, the United States, and France. 137.

Japan is attempting to do today what she was prevented by the United States and other Powers from achieving in 1915. Certainly it may be said that, realising the menace of Japanese aims, the Chinese Government was badly advised to permit these outstanding issues to remain unsettled, and thus present Japan with grievances which could be utilised to explain away her actions. 137.

There was no room within a Chinese-owned Manchuria for Japan's "forward" policy of industrial development, exposed to the pin-pricks, delays, and tortuous methods of Chinese diplomacy. Nor was it likely that Japan could continue to draw upon the natural wealth of the Three Provinces as a reserve for Japanese factories, while China, flushed with a patriotic fever and shouting the catchwords of nationalism, not only refused to discuss any extension of facilities for development, but agitated for the cancellation of all "unequal treaties" and the return of concessions to China. 138.

Conflict was inevitable. The Japanese people are as determined to maintain privileges dating from the war with Russia, as are the Chinese that these privileges must be swept away. In these circumstances, the amazing fact is not that the conflict came, but that it was delayed so long, and that it has affected to so small an extent the expanding trade of Manchuria. 139.

The Chinese were also apprehensive of the Bolshevik intentions in Mongolia, where they were carrying on an intensive propaganda by means of agitators who endeavoured to recall to the people the days of their forefathers and their former might. Only from the triumph of anarchic revolution could universal peace and prosperity be gained, they said, and not by the steady progress of democracy that favours government in the interest, and subject to the control, of all the governed. Here again effective grease for the wheel is money, and of this a supply seems always forthcoming.

But so far the Mongols have remained deaf to Soviet exhortations. Probably the tenets of Lamaism, and its opposition to any form of progress and advancement, least of all that engendered by a revolution, are responsible for the Mongol attitude. 143.

An organisation, known as the Profsoyuz, is the mainspring of Soviet activity in Manchuria, and when the Soviet seized the Chinese Eastern Railway as described in another chapter, they used its resources and revenue to further the Red cause. The application of the railway

funds to the benefit of the Soviet workers was bitterly resented by the Chinese, for whom nothing is done and to whom no benefits from the railway can accrue unless they are definitely supporters of Red rule. 145.

Only by putting the massed population of Asia in motion, an army representing one half of the universe, eight hundred millions of people, eager to burst the bonds of slavery, should we see the Soviet form of government established in all Asiatic countries. 145.

The Bolsheviks anticipate that all the Asiatic races, irrespective of religion, will go forward as one united whole. In this fallacy they display a poor knowledge of the psychology of Eastern peoples. 145.

To anyone with experience of India the idea of co-operation between Hindus and Moslems, on the lines the Bolsheviks have mapped out, is fantastic, to say the least of it. 147.

The Bolsheviks consider that Communism finds favour among the Chinese. On the contrary, its progress is negligible, for its principles interfere with private trade, which is vital to the Chinese, whilst they strike at private liberty, a leading feature in the social life of the nation. 150.

Having surrendered all the extra-territorial rights formerly enjoyed by Russian subjects in China under the "unequal treaties." Moscow's interests in Manchuria, and in the crisis arising out of Japanese actions, appear to be limited to three aims: to maintain the orderly working, free from political complications, of the Chinese Eastern Railway, under the joint management of the Soviet and Chinese Governments; to preserve the "open door" for trade between the two countries, and, in the words of Molotov, to abstain from any action against the interests of the Chinese people "striving for their independence and national unity." 151.

There are no Soviet troops in Manchuria; the Chinese Eastern Railway is guarded only by Chinese, and while, naturally, Russia maintains an armed force along the Siberian frontier, Moscow has stated definitely that "no Red troops or armaments were sent East "during the time that Japanese troops were located over the greater part of Manchuria, up to within a few miles of Soviet territory. 152.

This danger of an invasion of Soviet territory was averted, and the rumours of Soviet intervention which served to

quieten the Great Powers and the United States, while the Japanese troops moved northwards, were proved to have no foundation in fact. The statements in the British and American press concerning the presence of Russian advisers with the Chinese armies, and Russian corpses after the fighting, were subsequently denied by the Japanese High Command in Manchuria, which issued a statement declaring that further investigations had shown that the presence of Russian officers with the Chinese forces was unconfirmed. The denial, however, was issued after the Japanese movement into Northern Manchuria had been completed. 153.

The Soviet Foreign Minister pointed out that there was no analogy between the Sino-Japanese conflict and the Sino-Soviet disagreement of 1929. "The Soviet Government never took advantage of their power against the weakness of China at that time. Our troops entered Manchuria only after the Chinese and 'White' Russians (anti-Bolshevik exiles in Manchuria) had twice invaded Soviet territory. As soon as this threat had been liquidated, the Soviet forces immediately left Manchurian territory." 154.

The Chinese Eastern Railway is Russian state property. Marshal Chang-Tso-Lin seized the line in 1926 and arrested M. Ivanov, the Russian director of the railway. As already related, strong representations to Mukden subsequently led to the release of the imprisoned man and the restoration of the line to its owners. In July 1929 came the second and more serious crisis. Chang Hsueh-liang, the old Marshal's son and successor, seized the railway, and hundreds of Soviet officials and citizens in Manchuria were arrested and thrown into Chinese prisons. 155.

Further, the Sino-Soviet treaties of 1924 provided that the working staff of the line should be composed of equal numbers of Russians and Chinese. To carry this clause of the treaty into effect, the Bolsheviks proceeded to train large numbers of Chinese in railway work, and the number of Chinese employed on the line in 1928 (17,841) was treble as great as three years earlier, and in excess of the number of Russian employees (13,300) at that date. 156.

On September 9, the Soviets handed to the German Ambassador at Moscow (Germany was attending to Russian interests in China during the dispute) a second Note calling attention to attacks by Chinese and White Russians upon Soviet steamers, frontier guards, and Soviet territory, and the ill-treatment of Soviet citizens. No satisfaction being forthcoming, and the invasions of Soviet territory and torture of Soviet citizens continuing, Russia's patience became exhausted. She had

certainly behaved with moderation in the face of repeated attacks and much provocation. Moscow decided upon action, and on November 18, 1929, a Russian military force entered Manchuria.

China, faced with determined action, instantly changed her tactics and came to terms.

"The news from Manchuria confirms the Japanese anticipation that the Russians did not intend an invasion," stated the Tokyo correspondent of the New York Times (November 28, 1929). "The Russians apparently have not occupied any Chinese towns and are back on their own territory. They have given the Chinese a severe slap, humiliated them by disarming 10,000 troops, and scared Mukden into a settlement, all by a relatively small operation which led to no entanglements." 157.

According to a United Press dispatch of November 26 from Harbin, the Soviet forces actually halted thirty-eight miles from the border, and then returned to their base." 158.

But it is improbable, in the absence of political factors, that Moscow will permit her interest in the railway seriously to embroil her in the troubled waters of Manchurian affairs. It is more probable, if that issue could not be averted, that Russia would choose to sell her interest in the line either to China or Japan, and thus free herself from an embarrassing possession. Certainly such a step would find favour in Moscow if any form of armed intervention were the alternative. 158.

The United States of America were the first to draw the Japanese in 1853 from their islands of seclusion and the policy of aloofness that had characterised them, whilst the first treaty that Japan ever concluded with a Western nation was that of March 31, 1854, with the United States. 165.

The question as to whether Australia should be white or yellow opens up a vast field, and the time is not far distant when the subject must inevitably assume world-wide importance. 167.

Ethnically the lands lying between Northern Australia and Japan are suited to the Asiatic, and offer the best solution of the problem of accommodating the surplus population of Japan. 167.

As regards Northern Australia, and any pretensions Japan may have in that direction, reliable estimates affirm its ability to support one hundred and eighty millions of Asiatics, in addition to providing large supplies of foodstuffs and raw

materials, of which Japan stands in need. The climate is not suited to the European constitution, but agrees with the Japanese, and everything points to Northern Australia being the scene of action in future population problems as affecting Japan. That is evident to those who have travelled in Northern Australia and over the areas in question. 168.

This period of grab reached its climax in 1898, and it was a curious coincidence that it should synchronise with the taking of the Philippines and Guam by America after the war with Spain. 169.

During the Russo-Japanese War, America was, if anything, in favour of the Japanese. 170.

The next decided move on the American-Japan board was the despatch of an American battle fleet by way of the South Atlantic into the Pacific, and so to Japanese ports, where it met with a cordial reception,

There came a rift in the lute in 1910 when the American Secretary of State Knox proposed that the railways in Manchuria under Russian and Japanese control should be merged into one organisation and administered by an international board, the requisite finance to be found by that body. In putting forward this suggestion the American Government considered it would obviate friction and the menace of war, and give the railways in general, and Manchuria in particular, a neutral and far more satisfactory aspect than would be the case were the lines to remain under exclusively Russian and Japanese control. 170.

The atmosphere was still a trifle explosive just prior to the war, when the Americans introduced the Bryan arbitration treaty, which was rejected by the Japanese, who did not agree with its pacific ideals; 171.

On the other hand, almost immediately on the outbreak of war in August 1914 Japan, in view of her alliance with Great Britain, and desirous of giving full and cordial effect to the provisions of that agreement, declared war on Germany, and assisted in driving the Germans out of Tsingtao and Kiachou, which, acquired in 1898, had been converted into a model German colony with all the thoroughness of the Teuton.

Other events in the Pacific followed with dramatic swiftness; there were the Marshall and Caroline Islands which Germany had purchased from Spain at the close of the Hispano-American War in 1898. On these the Japanese

fleet now descended and took possession. It brought Japan in close proximity to the American dominions in the Pacific, and the fear that they might ultimately pass to Japan alarmed American political and military circles. 171.

Japan's action in China during the war called forth much hostile criticism in America. Only the visit of a tactful Japanese mission to the United States allayed this irritation. Matters improved in 1924 with an agreement setting forth that the United States and Japan had no designs upon the territorial integrity of China, that they would remain true to the principle of the "open door" with equal opportunity for all in trade and commerce, but recognising that Japan had special rights and interests in China, especially in those regions adjacent to the Japanese mainland. 172.

Japan took over the administration of Shantung, to all intents and purposes it became a Japanese colony, the depth and thoroughness of procedure there so alarming the Chinese that they protested in the strongest terms against the Japanese action as incompatible with their assurances of temporary occupation and a step demanded only by the exigencies of the war. 172.

In 1915 she presented the famous Twenty-One Demands, to which reference has been made in a previous chapter, so drastic and grasping that had they been conceded no shred of sovereignty would have been left to China. 173.

It was an ill-timed and unjustifiable attempt to take advantage of Allied embarrassments in Europe, and secure a footing on the mainland of China which other times and circumstances would certainly have denied.

American attitude over the Shantung question was intensely distasteful to the Japanese; they considered that their rights in Shantung were at least as justifiable as the American occupation of the Philippines, especially as Britain and France had agreed to the transfer of all German rights, title, and interest in Shantung to Japan, which arrangement had been ratified by the Peace Conference in Paris, a proceeding that came as a great shock to the Chinese. 173.

So strongly did America oppose the surrender of these rights to Japan that, largely due to her attitude and feeling on the subject, the Japanese withdrew their claims and Shantung was restored to the Chinese. But that was only one of the points at issue in which America and Japan did not see eye to eye. The United States spoke somewhat forcibly with regard

to Japanese action in Korea, and the severity of the measures adopted in that country to put down a revolutionary movement. This plain and outspoken attitude had a good effect, and thenceforth Japanese administration took on a more benevolent aspect.

In 1924 an Exclusion Law was passed, one of the clauses of which settled the quota of immigrants from the various countries of the world. This was objectionable to the Japanese, in that it excluded Asiatics from becoming eligible for American citizenship, whilst the Japanese quota was not determined on the same basis as those of other countries. 174.

It is, however, open to question whether the Japanese wish to emigrate in any considerable numbers to the Pacific coast of the United States, so that the wisdom and necessity of the discriminations are at least open to doubt. 175.

There is, however, no logical reason why there should be war between America and Japan; the former is most unlikely to take the initiative, and Japan recognises that it would be her economic ruin. Wealth, and the means to provide for the expense of a campaign, are the pivot on which success or failure turns. The mainspring of Japanese credit is in America; her supplies of raw materials come from overseas, oil is imported in vast quantities from America, and Japanese natural resources are quite insufficient to meet requirements, as we have shown. 175.

In so far as aggressive intentions might be in the American mind, and there is no evidence that any exist, we may briefly refer to the naval and military dispositions of the United States in the Philippine and Hawaiian Islands. The latter came under the American flag in 1898, drawing forth a protest from Japan, who had possibly marked down these islands as her own in the future. The Hawaiians include all the islands in that area, the capital and centre being Honolulu, distant 2000 miles from San Francisco, the base of the American Pacific fleet.

They constitute a strategic position of great value, all the main trans-Pacific steamship lines call there, and as a base for a powerful striking force it is the best in the Pacific. The naval and military garrison now numbers 16,000 men, and the harbour accommodation has been much improved.

The Philippines include all the islands of the archipelago, with headquarters at Manila, under the command of a major-general with staff and supply services, a total combatant strength of 11,500 men, of whom 7000 are native Filipino troops.

The garrisons of both groups can, of course, be

expanded in case of necessity, whilst in the Philippines there is for internal security a constabulary force of about 7000 occupying 162 stations throughout the islands, strategically placed for the preservation of law and order,

Of great importance to the United States is Guam, one of the Marianne or Ladrone Islands, which became United States property after the war with Spain in 1898. The remainder were originally sold by Spain to Germany, and since the Great War have been administered by Japan under mandate. Guam, of much strategic value, is the largest of the group, with an area of 225 square miles and distant 1500 miles from Manila, 1700 miles from San Francisco.

The United States originally intended to enlarge the harbour at Guam sufficiently to take the entire American Navy, and a large sum had been earmarked for that purpose, but the Washington Conference, with its limitations for constructional activity in the Pacific, made this impracticable.

So important is Guam in Pacific naval strategy that it would be an easy matter for a hostile fleet holding it to threaten the Philippines, if the island could be adequately fortified and put on a footing commensurate with its value. This is admitted by the Japanese, who recognise that its possession would be an asset to them. 176/177.

Regarding the strength of the American Navy it should be noted that in number of ships, and aircraft accompanying each warship, it is ahead of the British, whilst in the development of naval aircraft remarkable progress has been applied in the efforts to produce a naval force that, in personnel and material, shall be predominant over all possible rivals.

Under a recent act passed by the American Senate provision is made for one thousand aeroplanes to be in a state of constant readiness for action, whilst a further total of 1947 'planes to be constructed shows that full advantage is to be taken of the power and range of naval aircraft. 177.

A like activity has been displayed in Japan, where, after allowing for the limitations imposed by the treaties already referred to, a first-class naval fighting force has been evolved, thoroughly up to date in all its aspects, with a naval air force of eight hundred machines, this number to be increased so as eventually to bring it into line with that of America. 178.

To sum up, the disparity in economic and financial resources between the two nations is so striking that the result could not be in doubt. With a population of 123,000,000, and an area of nearly 4,000,000 square miles, productive of everything requisite to the sustained life and wellbeing of the nation, free from the necessity of importing material from overseas for the creation and equipment of its armed forces with almost unlimited financial resources, and a highly organised industrial system capable of wide expansion and adaptable to circumstances, the United States would have little to fear from a collision. 178.

Japan's total population, including Korea and Formosa, is 84,000,000, with a combined area of only 260,000 square miles. 179.

The United States Government took decisive action with regard to the Open Door policy in 1928, when Secretary Knox proposed that a sum of one hundred million dollars should be provided by British and American bankers to enable China to control the South Manchurian Railway and administer it under international direction.

Japan intimated that the suggestion was one she could not entertain, in view of the sacrifices made in Manchuria and the vast sums expended on the railway and its associated interests. The United States, not to be check-mated without another effort, put forward an alternative arrangement that a parallel line from Kinchow to Aigun, on the Amur River in the north, should be constructed, which was equally unacceptable to the Japanese. 179.

Finally the schemes were abandoned owing to the retirement of the British banking group, and to the hostility aroused by the idea in Japan. 180.

The famous Twenty-One Demands sufficiently indicate that, as well as the naval and military agreement has since lapsed, but it is of importance as indicating the line of thought and action. 180.

Japan requires American raw material to enable her to supply the wants of the Chinese market, whilst American needs Japanese good will in China for the sale and distribution of American goods. 181.

The Americans used their moderating influence to

bring about an amendment of these drastic Twenty-One Demands which were subsequently modified at the Washington Conference of 1921; then followed the Nine-Power Treaty in which Britain, France, Japan, China, Belgium, Holland and Portugal agreed to maintain the policy of the Open Door, and to give mutually full and frank communication when any question came up for discussion involving the application of the treaty. By this agreement and the Covenant of the League of Nations the Japanese committed themselves to the necessity of conferring with the other signatories to the treaty, and the Covenant, before undertaking any armed action in Manchuria. 182.

As previously remarked the principle of extra-territorial privileges was first recognised by the Chinese in their treaty with the Russians at Nerchinsk in 1689, the first treaty China had ever concluded with a foreign Power. It was reiterated in two subsequent treaties, and British subjects definitely acquired the right to be amenable only to British law, as administered by British consular authorities, under the General Regulations for British Trade promulgated in 1843. 183.

In the Anglo-Chinese Agreement of 1902 it was stipulated that Britain, when satisfied that the state of Chinese law and the arrangements for its proper and honest application warranted her in so doing, should renounce her extra-territorial privileges. The Chinese have several times raised the question, but although thirty years have passed they have made nothing whatever of the opportunities offered them; of progress there has been none, and the task of government is not undertaken with the idea of promoting the public welfare, but for the sake of self-enrichment and the increase of purely personal power. 183.

For the past five years there has been increasing disorder in Manchuria, with a corresponding decrease in the authority of the government, together with a much greater assumption of power by local war lords and governors. They refuse to recognise the authority of any central government, and show an utter disregard for the administration of civil justice. 184.

The Chinese have produced masters in the arts and in philosophy, no one questions their capacity for work and their title to be one of the world's most industrious races, but they are living in a past age, their material progress in recent years has not been marked, and their philosophy of life is opposed to change or energetic action. 185.

A national feeling does not exist in China, although amongst the students educated along European and American lines it begins to make itself felt. Nevertheless, not more than 3 per cent of the people are the least interested in politics, and until the student and the emissary from Moscow appeared on the scene, political agitation had no place in the Chinese mind. 186.

With the civil war which has raged in China for the past twenty-one years, the rise and fall of Governments, the coming and going of presidents, and the kaleidoscopic changes which have characterised the situation in China over this period, with the resultant chaos and confusion, it would serve no useful purpose, and merely confuse the reader, to recount all that has happened during these hectic years. The general public the world over has become sufficiently bewildered by the maze of military governors, war lords, marshals, and armies, flitting hither and thither, up one day and down the next, vying with each other in the scramble for loot and power. 187.

Within a space of eighteen years more than fifty Governments have been set up and deposed in China, a dozen presidents have come and gone, and China is still without a ruling authority worthy of the name. The present Government functions only within a limited radius of its capital at Nanking, a unique situation for a nation boasting the largest share of the land surface of the globe, and the greatest population. 187.

The immediate cause of the present crisis, as already stated, was the destruction of the railway line near Mukden on September 18, 1931, but the affair that forced matters rapidly to an issue was the treatment of Koreans and the murder of Chinese subjects in Seoul and Chemulpo. There are approximately half a million Koreans in Manchuria, Japanese subjects, and entitled to consideration. Exasperated at the treatment their countrymen were receiving at the hands of the Manchurian local authorities, they attacked the Chinese in the above two towns, 188.

Russia thought the moment opportune to create a buffer state between herself and China, as well as to secure commercial advantages. Russia, therefore, supported Mongolia in its resistance to the Chinese, supplying arms, ammunition, and military instructors. This was followed by the recognition of the independence of Outer Mongolia lying beyond the Great Wall, and the appointment of a Russian Minister to the Mongolian capital at Urga. 197.

The Chinese tacitly agreed to the autonomy thus won, not being in a position to combat it, harassed as they were by domestic difficulties and foreign and political embarrasments.

With the coming of 1917 and the advent of Bolshevism the tide turned, for the Mongols were dependent on Russia for material, and particularly money, the ruling factor in most disputes. 197.

The Chinese desptched a force to Urga, which the ill-trained and numerically weak Mongol army was unable to resist, Mongolia being compelled to relinquish her newly-found independence and resume her place under Chinese rule. 197.

In the heyday of their fame the Mongols were Moslems, and had they remained so, instead of embracing Lamaism, the perverted form of Buddhism, they might easily have maintained their place as one of the greatest nations of the East. Lamaism was introduced from Tibet after the death of the Mongol conqueror Kublai Khan in 1295; it is a branch of Buddhism differing in details from that founded by Buddha, who was regarded as the incarnation of the divine essence, and numbers among his followers a quarter of the human race. 198.

It may be said that a separatist movement in Mongoli has little hope of success; the tenets of Lamaism stifle all ambition, they are opposed to war or the taking of life, the prolongation of the latter being a virtuous act. 198.

That the task confronting the statesmen of the League was not so easy to solve as many critics of that body imagined, however, was proved by the fact that the Chinese Government itself deprecated any attempt on the part of the League to coerce Japan, believing that such action, even if agreement could be achieved among the Great Powers, would do more harm than good. 205.

The League Council first considered the dangerous situation which had arisen at a session held from September 22 to 30, 1931. At this time the information available at Geneva suggested that the Japanese army in Manchuria had got out of hand, and that the Japanese Government was striving to regain control of the situation and to "liquidate" the results of the excessive zeal of their military commanders, for which reason Tokyo was anxious not to be embarrassed by any precipitate action by the League. 206.

Accepting this view of the situation, the Council passed a non-committal resolution taking note of the Japanese

Government's declaration that it had no territorial aims in Manchuria, and that the withdrawal of the Japanese troops about to begin would be completed as rapidly as was compatible with safety of Japanese lives and property. The resolution further noted the Chinese Government's undertaking to safeguard Japanese lives and property in the areas evacuated by Japanese troops. No suggestion was made of any neutral investigation, nor was any time-limit mentioned - two points which the Chinese delegate at Geneva had pressed for but did not insist upon. China accepted this resolution, though not without misgivings which were later to be fully justified. 206.

The city of Chinchow was situated some distance from the area occupied by the Japanese troops, and the twelve bombing 'planes responsible for the damage dropped proclamations addressed to the inhabitants of Chinchow. The text of this proclamation, later communicated to the League Council by the Chinese Government, was as follows:

"Chang Hsueh-liang, that most rapacious, wanton, stinking youth, is still failing to realise his odiousness and has established a Provisional Mukden Government at Chinchow to plot intrigues in the territories which are safely under the rule of the troops of the great Japanese empire. 207.

"The people of Chinchow should submit to the kindness and power of the army of the great Japanese Empire and should oppose and prevent the establishment of Chang Hsueh-liang's Government, otherwise they will be considered as decidedly opposing the army of the great Japanese Empire, in which case the army will ruthlessly destroy Chinchow. 207/208.

All the resources of League diplomacy were brought into play to arrange a compromise, it being felt that any suggestion of coercion in a dispute so involved and entangled would only cause a split in the League itself. 208.

Attempts to get the Japanese delegate to moderate his attitude having failed, the Council put both the Japanese counter-proposal and then its own resolution to the vote. Both votes showed world opinion, including America, to be ranged solidly against the Japanese attempt to maintain a military occupation, with all its dangers, as a means of settling civil disputes. 210.

Shortly after the taking of this vote on October 26, 1931, the Japanese Government issued the text of the points styled in 5okyo the "Five Fundamental Principles" to which Chinese agreement was demanded before evacuation would be even discussed.

These five points were:

(1) That an agreement shall be come to whereby Japan shall not entertain any aggressive designs.

(2) That the territorial integrity of China shall be respected by Japan.

(3) That China shall cease anti-Japanese propaganda such as boycotting Japanese goods in commerce, and schoolbook propaganda inculcating national hatred against the Japanese.

(4) That Japanese lives and property shall be safeguarded and Japanese allowed to follow their lawful pursuits peaceably.

(5) That China shall be compelled to observe Treaty obligations. 210/211.

What China would not agree to was any compromise whereby these issues were to be discussed prior to the evacuation of Chinese cities by the Japanese armed forces, the attempt to enforce these essentially political demands by the establishment of an armed protectorate over three Chinese provinces, and the expulsion of the Chinese governmental authorities from Manchuria. 211.

The information reaching the League also suggested that some form of policing Manchuria was urgently necessary if widespread extension of brigandage was to be avoided,, and it was difficult to see what Power, other than the Japanese, could supply the necessary force to maintain law and order. 215.

In a word, the Japanese Government demanded the complete evacuation of Manchuria by the Chinese authorities, and made their acceptance of the proposal for a League Commission conditional upon that evacuation being effected, 220.

If the issues seemed simple on the surface, they were in reality too involved to permit the League to bring direct pressure to bear upon 5okyo, always remembering that once such a policy had been adopted questions of prestige

would necessitate the League pursuing a policy of "reprisals" to the end. 221.

The United States Government, alone among the Great Powers, felt impelled to protest against Japan's cynical flouting of her own pledges and world opinion, and, as we shall show, in a strong note to Tokyo, drew attention to the provisions of the Nine-Power Treaty, of which Japan was a signatory. 227.

Did the Council of the League fail, and seek to hide its failure in the setting up of a Commission without real powers to curb either Japanese militarism or Chinese anarchy, while leaving Japan free to complete the virtual conquest of Manchuria, or can that body justly claim, in Lord Cecil's words, that "we have prevented war, have made some attempt to secure justice and have laid the foundation for what we believe to be a better state of things? 227.

Lord Grey, in this speech, went on to outline four favourable results that the League had brought about.

"First, the influence of the League had prevented the dispute from spreading. Secondly, other Powers, instead of possibly playing each for its own hand, had been working together with the League to promote peace. Thirdly, before the Great War, when a dispute arose between Powers, it was often regarded as infringing the honour of one of the parties to the dispute for any outside Power to interfere or mediate. 228. Fourthly, the Manchurian dispute had brought out the fact that the Kellogg-Briand Pact was entirely in line with the Covenant of the League of Nations. 229.

No one in close touch with the facts can doubt that a "League war" upon Japan, or any attempt to enforce sanctions which few members of the League were ready to apply, might well have ended the prestige and usefulness of the League of Nations for many years, if not permanently. 230.

The extreme rapidity with which the Japanese army acted suggests a prepared plan. (Seven hours after the attack upon the railway Mukden and four other cities were in Japanese hands.) Previous to September 18 also, the Japanese garrison in Korea had been reinforced, while

a speech is on record, made by the Japanese General Honjo on September 13, which foretold the events which immediately followed. 231.

In a word therefore, although it may be admitted that Japan has succeeded in securing her aims despite the League, that body has in turn succeeded completely in localising the dispute, in issuing reliable information concerning events to steady world opinion, and in making the Japanese Government sufficiently uncomfortable during the last three months of 1931, to deter other nations from lightly following her example. 233.

As we have shown, economically Manchuria is vital to Japan. The day may come when the mineral wealth of the region, the food drawn across the Sea of Japan, and the footing on the mainland of Asia will mean the difference between her survival and extinction as a Great Power.

Tokyo knows this, and plans its actions accordingly. It cannot afford to permit international jealousies, or the moral conscience of nations which already possess abundant territories elsewhere, to rob it of the fruits of a costly war and a quarter of a century of treasure and labour. 235.

In fairness to the Japanese, it must be admitted that were political considerations eliminated, their claim to prior rights - even monopoly rights - in Manchuria is a strong one. 236. An appeal by the Japanese Government to the League of Nations, in the first instance, for permission to police Manchuria in the interests of orderly trade and security, might very well have been granted. 237.

Manchuria, developed under the jurisdiction of Japan, with its people contented and prosperous, would be a greater cause for anxiety to the Powers than a Manchuria in which all might scramble for such concessions as China was disposed to concede. Next to the Monroe Doctrine, there is no point of policy in international diplomacy so sacred as that of the "Open Door" in the Far East.

But it is significant that the Japanese Prime Minister, in reply to a protest tendered to him by Mr. Forbes, American Ambassador at Tokyo, on December 24, 1931, declared that Japan would "Welcome foreign participation and co-operation in Manchurian enterprises as soon as normal conditions were restored." 237.

It is further claimed that Chinese colonisation of

Manchuria antedates the Christian era. By 1900 80 per cent of the population of Manchuria, then estimated at 14,000,000, were Chinese, while as late as 1905 there were only 5000 Japanese living in the area. 238.

As the wealth of Manchuria increased the Chinese war lords extorted more and more of it from the people, lavishing it upon themselves and on armies numerically larger than the region required or could properly afford. 239.

The well-known disinclination of the Chinese to face the realities of the past in Manchuria, and the equally strong disinclination of the Japanese to state precisely their aims and intentions for the future is the difficulty immediately apparent. 240.

Swiftly and orderly the Japanese forces took one objective after another, the only surprising factor about their speedy occupation of the region being the degree of ruthlessness exhibited, such as the aerial bombardment of cities far from the "fighting line." The Chinese forces were impotent from the first shot; they withdrew to seek refuge behind the League of Nations and a flood of appeals for moral aid. 241.

Japan could not withdraw without confessing failure, and probably only the despatch of a League army to Manchuria - a contingency Tokyo was justified in dismissing as too remote to merit serious consideration - would have stayed her hand. 243.

On January 7, the United States Government dramatically intervened in the dispute by presenting the following Note to the Chinese and Japanese Governments, at the same time handing copies to the representatives of the nine Powers who were signatories of the Treaty of 1922, and "expressing to them the hope that they would send Notes to China and Japan in the same sense." 244.

The United States Note was regarded as technically an invocation of the rights of the United States and her people under the Nine-Power Treaty. 245.

If Japan secures a dominant position in that region, she will be well able to afford that gesture to international sentiment, as is clear from even a cursory study of the past. For it must be borne in mind that it was under the era of the "Open Door" that Japan has established for herself a virtual monopoly of Manchurian trade, in so far as that trade is necessary to her industrial supremacy in the Far East. The "Open Door" has not prevented her from financing railway

construction, establishing power plants, owning or controlling coal and iron mines, engaging in forestry operations, erecting and operating cotton mills or tapping the resources of Manchuria in any direction. Nor need it in the future. Geographically, Japan is so favourably situated that she can accept a policy of "all comers" and still tighten her grip upon Manchuria with every passing year. Neither Britain nor the United States can compete with her, however equal - theoretically - the "opportunities" may be. How otherwise explain the remarkable fact that Japan, a poor nation, has financed virtually nine-tenths of the development of Manchuria, despite the fact that Britain and the United States are reputed to be the great creditor nations of the world? 249.

The Japanese have no wish to incur the responsibilities and hostility which annexation would bring upon them. 250.

Japan never has seriously considered the colonisation of Manchuria with her own people. 251.

Even a mandate would not give them that complete control over Manchuria which they see the possibility of gaining by a more devious method. 252.

This question of advisory control (the actual Japanese phrase) is regarded as important, because it would guarantee the industrial interests of Manchuria against a further period of lawlessness. While Tokyo may not consider it wise to insist upon an advisory council being composed exclusively of Japanese, it hopes to be in a position to call the tune played by any Chinese Government placed in office. 252.

In the end China will probably have to agree, with what grace she can muster, to a position which will not be very different from that of 1926, when Marshal Chang-Tso-Lin was virtually independent of the rising power of the Kuomintang, and held sway over Northern China. 253

It seems probable that if Soviet Russia is left in peace to develop her zone of interest composed of the Chinese Eastern Railway and the territory north of that line, that she in turn will not dispute any settlement Japan may secure in South Manchuria. 253

Observers on the spot believe that control of Manchuria purchased at the price of losing the bulk of her Chinese trade will prove a Pyrrhic victory for Japan. 254

The Great Powers may be induced to accept a Japanese-inspired Government at Mukden, but no one in touch

with international affairs will be rash enough to sponsor the view that either Great Britain or the United States would stand aside were any extension of aggressive action into China proper begun by the Japanese troops. 254.

Admitting both the breaches of treaty obligations by the Japanese in Manchuria, and the abundant provocation offered to them by successive Chinese Governments, it says much for Japanese patience that she waited until her investments, her property and the lives of her subjects had been rendered insecure by the spread of lawlessness north of the Great Wall before she attempted to secure, by direct action, that position in Manchuria which is vital to her existence, interests which, however just in abstract may be the Chinese case, no Japanese statesman dare permit to go by default. 255/256.

CHINA: THE FACTS.

By Lieut.-Colonel P. T. Etherton
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In so far as we personally are concerned, the studied moderation of the British Government, in face of threat and outrage, should convince even the most rabid partisans of Canton that Great Britain is a powerful friend, whom the China of tomorrow would find helpful any sympathetic in the task that confronts the Chinese nation of evolving order from chaos. vii.

Within a space of fourteen years forty-three governments have been set up and deposed in Peking, eight Presidents have come and gone, and China now finds herself without a central ruling authority, and exposed to civil and internecine warfare on a vast scale - a nation without a Government. 17.

No limit can be placed to the importance of China as a factor in world affairs; its population totals a quarter of the human race, with an area of four and a quarter million square miles.

As at present constituted, there are twenty-two organised provinces and the dependencies of Mongolia, Tibet, and Kokonor, but the first two are only nominally under China. Despite the appointment of a Chinese Resident at Lhasa, the land of the lamas is ruled by a theocratic Government, with the Dalai Lama as the political, and the Tashilumpo Lama as the ecclesiastical, head.

A reference to the map will show the location of the provinces and the three principal rivers that divide the country into three sections. Firstly, the Yangtse rises in the Kuen Lun Mountains of Tibet, flows for 3,200 miles through China and touches nine of the provinces. This river is the real heart of China, and drains some 700,000 square miles, the principal cities along its banks being Hankow and Nanking, with Shanghai at the mouth.

North of the Yangtse is the Hoang Ho, or Yellow River, which, although commercially not so important, has the glamour of sanctity over its outflow to the Yellow Sea in Shantung, being the Holy Land of China and birthplace of

Confucius, whose teachings have dominated Chinese life and thought for twenty-five centuries. 18.

The third largest river is the Si Kiang, or West River in the South, with Canton, the oldest port in China, at its mouth. Canton has been prominent in foreign trade since the third century B.C., whilst it was the first Celestial port visited by European craft, the earliest English ship touching there in 1637.

Prior to the revolution of 1911, the land throughout the Empire was, theoretically, the property of the Emperor, who could dispose of it as he wished; the mountains, the deserts, the valleys and the plains, all belonged to him; indeed, he was regarded as the Son of Heaven since, according to Chinese conception, he ruled over all beneath the sun, and as late as 1860 could only treat with foreign nations on the basis of inferiority, and their doing obeisance to him as the paramount power in the Universe. Moreover, the Emperor was revered as the father of the nation, this being the model on which the government of the country was based, as expounded by Confucius, who declared the well-ordered and well-regulated family to be the finest conception of how a country should be governed. 19.

The Chinese son, however, remains part and parcel of the establishment, irrespective of marriage, and parental authority over him undergoes no modification. This is the tie that binds all together, so that the family was the real starting-point in the government and constitution of the country. 20.

No oath is administered in a court of law. 22.

We must realise that lying, as such, is not a disgrace, and to save himself, to appear well before the world, and preserve inviolate his position, honour, and reputation, he will lie quite cheerfully, and none will think any the worse of him. If he has preserved "face," to quote the Chinese expression - the most powerful and far-reaching expression in the language, and one that the people put above all else - all is well; but if, on the contrary, he has failed, disgrace is by universal verdict his lot. 22.

In every Chinese town and village there are men whose livelihood is gained by serving terms of punishment or receiving the strokes awarded to another. It will be seen that bribery and corruption are rife in China, and no one is immune from their operation. 23.

In a study of the Chinese question, as presented to the world today, one is apt to lose sight of the fact that ninety-seven per cent. of the Chinese people are illiterate, and that of the remaining three per cent. very few concern themselves with politics and what is passing in the great world beyond their own frontiers. Confucius counselled all to concern themselves only with their own affairs, and that he who meddles with politics places himself in a dangerous position. So, with wars and revolutions and all that is happening in China notwithstanding, we are still confronted with the Chinese nation as a whole, who are little affected by present events, and still follow the even tenor of their ways, the identical course laid down centuries before the birth of Christ. 24.

China is, by authorities well qualified to speak, regarded as the richest country on earth, and the yield from even light taxation, were it properly levied and accounted for, would be colossal. What can be effected in this way is exemplified in the operations of the Imperial Maritime Customs, formed by the genius of Sir Robert Hart, who assumed control in 1863, and during his fifty-four years of service in China made it a model of efficiency, coupled with a maximum yield. Originally the receipts from this source were divided between Peking and the provinces, but with the fall of the Manchu regime in 1911 it was diverted to the redemption of foreign debt. This foreign debt only arose in China after the war with Japan, the Maritime Customs being used as the security for the financial assistance received, which help from foreign sources has gone on increasing until the indebtedness now exceeds approximately £200,000,000. 33.

Having dealt with the system of administration, we will pass in brief review the religions of China - Confucianism, Taoism, and Buddhism. The first has never been given the character of an established religion, but rather a code of social and political doctrines, which, as President Yuan Shih Kai once expressed it, is held most sacred by the entire Chinese people. He was emphatic on the necessity of preserving the traditional beliefs of China; indeed, he was partly in favour of making it the State religion under the Republic. Some felt that it was putting back the clock to recognise any form of belief, but Yuan pointed out that he merely wished to make a strong point of the moral and ethical principles of Confucianism as a basis of education, the more so as there was no connection with myth or theology in the proposal. 33/34.

The condition of the greater part of China at the

moment is similar to that obtaining in Europe during the Middle Ages, and its social and economic evolution must take at least as long as our own in the past. The obstacles confronting them are much more formidable, whether political, religious, or linguistic, and with all the Chinese capacity for work and application, coupled with the spread of education on a wide scale, it is improbable that they would, within the short space of a few years, be able to effect so complete a transformation as Europe only accomplished after several centuries of steady application. 55.

The family loyalty is the personification of virtue, and everything else must be subordinated to it; not even public duty can precede it, for loyalty as a national expression is non-existent.

Further, as regards agriculture, this is carried on in the way and with means in vogue during patriarchal times, and there is strong aversion to scrapping them. 56.

The instinct to go on in the same old way is inherent, and, although there is improvement, none can say that there has been any definite change in conditions that have prevailed since before the Christian era. 57.

It is not within the power of any legislative body, however representative, to break through the rules of ancestor worship. 57.

The Chinese are remarkable for their tenacity and patience, and nowhere are there finer illustrations of these traits in the national temperament than in the record of their various military operations. One of the most striking was in connection with the Chinese army detailed to quell a revolution in the far west in 1876. The march of this army across China for the recovery of the lost province was entrusted to General Tang, who set out from Peking for the goal four thousand miles to the west,

As long as they were in a more or less inhabited area the army lived on the country, but once beyond the confines of comparative civilisation this was no longer possible, for supply and transport services did not exist, and the districts traversed were unable to provide the force with the requisite supplies.

General Tang was, however, equal to the occasion. He collected and halted his scattered and roving army, chose the most promising area and there marked out the ground around

the camps and bivouacs; the sword, the gun, and the lance were laid aside, and in their place were taken up the spade and plough. The ground was prepared, cereals and vegetables were sown, and in the fulness of time the crops were garnered, and so, with renewed supplies, the army resumed its march, the goal was reached, and the rebellious province again brought under the imperial sway. 64.

The crisis came in 1839, when, thoroughly alarmed by the increase in the quantity of opium imported into China by British traders, as well as by the drain of money to pay for these imports, the Emperor despatched a special commissioner to Canton with instructions to close the opium traffic. In compliance with his mandate, a stock of 20,283 chests of opium, valued at £2,000,000, then in the British warehouses at Canton, was seized. Further, the Emperor's commissioner demanded a bond from British merchants guaranteeing that the trade in opium should cease, coupling with it the condition that sixteen leading foreigners - several of them having no connection with the trade - should be hostages against further importation of the drug by any foreign nation.

The confiscation of this opium, and the demands accompanying it, rendered action by the British Government imperative, and led to what is known as the "Opium War" of 1840. 86/87.

The Opium War of 1840 was fought as much to enforce the right of diplomatic intercourse between the two nations on terms of equality as to secure redress for the just grievances of traders. 87.

The Viceroy then offered a ransom equivalent in value to the opium confiscated, and also agreed to cede Hong Kong, an island inhabited by a few fishermen, as a place where the British might build up a trading town.

A general settlement was embodied in the Treaty of Nanking of 1842, the first to regularise the conditions of British trade with China, and a document still governing many of the relations between the two countries. By this instrument the five cities of Shanghai, Amoy, Nanking, Foochow, and Canton were declared treaty ports and thrown open to all nations. 87/88.

One of the signatory powers to the Treaty of Nanking was the United States, who thus extended her influence to the Far East for the first time, and took her place as a factor in world problems there. 88.

Of the four treaties signed in 1858, that with Great Britain was the only one conferring upon a foreign Power the right of permanent diplomatic residence in Peking itself.

These treaties were to have been ratified in the following year, but the Chinese, fearful of the growing contact with foreign Powers, once more changed their minds and when the British, French, and American representatives arrived at Taku they found the river barricaded and the forts fully manned. They were further informed that if desirous of communication with the Emperor they must enter China by a "side door" - at a place called Peitang, higher up the coast.

This studied affront to three Great Powers, although resented by the American Minister, had, perforce, to be accepted by him. It met with determined action by Great Britain and France, and, as no satisfaction was forthcoming, overtures for an amicable adjustment being rejected, a small expeditionary force was despatched. This found itself unable to overcome the Taku forts, and it was only in the following year that a Franco-British army, landing at Peitang, occupied Peking. 89.

Before the arrival of this expedition the Emperor, Hsien Feng, fled to the summer palace at Yuen Ming Yuen, five miles from the city, leaving his brother, Prince Kung, as regent with full powers to negotiate terms. The new treaty between Great Britain and China was signed with full ceremony on October 24, 1859, and by its provisions five further ports were opened to world commerce - Tientsin, Chefoo, Newchang, Kiukiang, and Chinkiang. A similar treaty was signed by the French, the end of the campaign being marked by an astute diplomatic move on the part of the Russian representative. On learning that the allied army was shortly to be withdrawn from Peking, he approached Prince Kung, offering to use his influence to secure the removal of the Franco-British troops provided the regent would cede to Russia the Primorsk province of China. By this move Russia secured valuable territory between the Ussuri River and the sea coast facing Japan, a coastline extending for 700 miles.

For some years following the signing of the Convention of Peking, China was immersed in internal troubles, notably the famous Tai-ping Rebellion, which, beginning in 1853 by the capture of Nanking, lasted ten years and cost 20,000,000 lives.

In 1876 the Chefoo Treaty was signed, which still further regulated trade between Great Britain and China, and laid down conditions governing the opium traffic. It also

sanctioned the opening of four new treaty ports and six landing-places on the Yangtse River. 90.

Fourteen Chinese ports were now open to foreign trade. Matters were comparatively quiet until 1897, when what may be characterised as the "Battle of Concessions" ensued. Germany occupied Kiaochao, Russia secured Port Arthur, and Great Britain Weihaiwei, while the French took over Kwang-chow-wan.

Trade was still seriously handicapped, the main difficulty being the refusal of the Chinese authorities, continued with one exception to the present day, to allow foreigners to own land or property in China.

The solution of the difficulty, suggested by the Chinese Government, and accepted by British business interests, was the segregation of foreigners on land set aside for their use and leased to the nation concerned. Thus came into being the British and foreign concessions, which have since, as at Shanghai, grown into flourishing modern cities. In view of Cantonese agitation against the presence of foreigners with special rights on Chinese soil, it should be remembered that the system of building miniature cities, owned, occupied, and municipally administered by the subjects of European nations and the United States, originated with the Chinese themselves.

So far as Great Britain is concerned, we have concessions at Amoy, Hankow, Kuikiang, Chingkiang, Tientsin, Newchang, and Canton, which are not international, as is Shanghai, but directly controlled by British officials. 91.

At Amoy the Consul in 1851 leased a piece of land from the Chinese authorities, subsequently granting it for ninety-nine years to British subjects only. Our concession in that port is therefore leased from the Chinese under mutual agreement.

At Hankow, the scene of trouble in January last, and Kuikiang, adjacent to it, the concessions are held under leases dated March 21 and March 25, 1861, which stipulate for the payment of ground-rent to the Chinese Government, and contain a clause that as long as the ground-rent is paid the British Consul shall exercise sole control in allotting land, constructing roads, erecting buildings, and other matters.

The Newchang lease and that under which we hold Shameen - the British concession at Canton- provide for payment of an annual rent, and grant to the British "undisturbed possession so long as the rent hereby reserved shall be paid." 92.

At Tientsin no formal lease was ever prepared, but

here, too, ground-rent is paid annually, and the receipts of the Chinese authorities may be taken as consent to the terms under which we have held the concession for so many years.

It will therefore be seen that the British concessions were acquired under legal conditions. 92.

At Shanghai the international settlement has a Chinese population of nearly one million. They appreciate that law and order, sanitation, and general living conditions are at a high level compared with a Chinese city, and the demand for houses created by the growing trade and increasing native population has resulted in a rise in property values within the concessions.

Shanghai, the most important international settlement in China, over which the first American Consul hoisted the United States flag in 1848, has an area of 5,590 acres, and the present value of land and property there exceeds £20,000,000. When it passed into international control it was a mud flat. 93.

The Anglo-French concession at Shameen, an island in the river off Canton, is a further example of development. 94.

The British Government has already, in its Memorandum of December, 1926, agreed in principle to return of the concessions under joint control of China and the foreign inhabitants, when a stable government that can lay claim to real authority shall be established. 95.

Changes having been decided upon, and held in abeyance only because of the lack of responsible government authorised to speak for China as a whole, it is now only necessary to point out the dangers to be guarded against in altering a system which has in the past enriched alike Chinese and European.

We should also take into consideration the fact that opposition to the return of the concessions to Chinese control partly emanates from the Chinese population who live and flourish within their boundaries. 96.

That such fear is not illusory is shown by the fate of the ex-German and Russian concessions at Tientsin, restored to Chinese control after the Great War. On assuming control of these concessions, the Chinese Government announced its intention of forming them into model settlements; they further promised that foreigners, who were the chief element in the population, should have a voice in municipal administration.

These promises have not been redeemed. The former

German concession is administered by a subordinate police official, appointed by Peking, and attempts have been made to substitute leases of thirty years' duration for existing perpetual ones wherever a change in ownership of property has occurred. In both concessions not only has there been no foreign representation on the municipal council, but under orders from the governor of the province for the time being, a large portion of the taxes collected, which had hitherto been expended upon maintenance of roads and public improvements, has been confiscated for military uses. The late military commander of the district even increased the water rate and the charges for electricity to provide funds for his army. Conditions such as these, if extended to the other foreign concessions in China, would obviously have the most damaging effects on trade.. 97.

The difference, however, between Great Britain and the other countries named is that, while trade with China is vital to our prosperity, to France and the United States it is still a "side line," and, although lucrative, is not essential to the industries catering for it. 100.

Modern industrial development within the borders of China dates from about 1894, when the first Chinese cotton mills were erected at Shanghai and Wuchang. Prior to that year the only industries in the country, apart from agriculture, were the handicraft guilds. 101.

It is an ironic comment upon the anti-foreign propaganda used to stir up those in Chinese-owned industries that the best working conditions are found within the foreign concessions. 107.

Both the railway and telegraph systems of China were rendered possible by foreign loans, but there is ample scope for improvement. The poverty resulting from the prevalent civil strife prevents the carrying out of an extended programme of railway construction, and in any case it could not be undertaken without the further financial aid of London, New York, or Tokio. 125.

Until a Government assumes office that is able to restore order out of chaos it is futile to expect foreign nations to sink more money in Chinese railways. 126.

The foreign Post Offices in China (150 in number) are located at centres of population and industry, but, except at Shanghai, are really unnecessary and could with advantage be abolished. The Chinese postal service is

extremely efficient, is staffed to some extent by Europeans, and compares favourably with the foreign postal organisations, while the multiplicity of services is a grievance in the minds of many Chinese which should be removed as soon as possible. 127.

For the genesis of the present condition of China, with the seemingly endless swing of the pendulum between pretence at democracy and military dictatorship, with constant feuds between rival war lords and the almost inexplicable picture of pacifist China, whether North or South, democrat or dictator, relying solely on force to gain the ends in view, we must go back to the Chino-Japanese War of 1894.

This conflict, fought out in a Far East still remote in the popular imagination of the Europe of that day, and ending in the decisive defeat of China, marked the beginning of a real awakening of the Celestial Empire, which had slumbered for four thousand years. 131.

At the beginning of 1894 China still believed it was possible to be both pacifist and peaceful, and two battle-ships, with some cruisers and torpedo-boats and destroyers, were considered to be all the force necessary to deal with any potential trouble by sea. 131.

A Chinese empire adhering to this easy-going doctrine fell a prey to well-equipped Japanese forces.

What were these results? Pre-eminently, their defeat implanted for the first time in the minds of the Chinese autocracy a belief in force as the means of settling disputes, whether internal or with foreign nations. 132.

Another result of the war of 1894 was that Japan used her victory to establish her influence in Korea, and further demanded the cession of the Liaotung Peninsula, on which Port Arthur is situated.

The seizure of Korea, however, was sufficient to render more remote the chance of Russia realising her ambition for ice-free harbours in the Pacific. Thus did the Chino-Japanese War pave the way to the conflict between Russia and Japan. 132.

A third result of this war, and one of especial interest at the present juncture in the story of China's awakening, was the fact that it marked the beginning of her foreign debt. To meet the indemnity demanded by Japan, China was forced to negotiate the first loan of £50,000,000 in Europe. 133.

Three years later European intervention in the affairs of the ancient empire was emphasised by the leasing, under diplomatic pressure, of a number of ports by the Powers. Germany was in the van with her entry into Kiaochao in 1897. Britain went to Weihaiwei, and France to Kwang-chow-wan. Even Italy joined in the scramble for zones of influence, whilst Russia was already there.

Within the boundaries of China developments took the form so often found in the history of empires embarrassed by defeat. Demands for reforms, counter-moves by those in power against the reformers, a ding-dong fight favouring first one side and then the other, ending in a nation unprepared for democratic rule falling a prey to adventurous, and unscrupulous, leaders and political aspirants. 133.

Only two changes were urged on the weak Emperor Kwang Hsu by the Chinese reform party. These were (1) the reorganisation of the Government and (2) the founding of modern schools and colleges which would bring to China the educational facilities enjoyed in other lands, including Japan. 134

On September 22, 1898, the Empress-Dowager, thoroughly alarmed at the prospect, seized the Emperor and, under the pretext that he was ill, established a Regency. 134.

Once securely in control, this determined woman, already sixty-five years of age, moved against the reformers, who, with good reason, promptly fled from Peking. 134.

Three different forces were working, each in its own way, to put back the clock. There were the reformers of the Chinese Nationalist party, who included enlightened and capable men. There were the watchful eyes of the European Powers, who frowned on this attempt to stay the march of progress and sided with the reformers.

And lastly, as 1900 dawned, the first whispers came of another force called "Boxers," recruited from the adherents of gymnastic societies.

The Boxers were the force responsible for the unfolding of the next chapter in the slow stirring of Chinese nationality. They were antagonistic to both Europe and Japan and in opposition to an imperial family which was Manchurian rather than Chinese. 135.

According to the Boxers, all China needed was to evict the Manchurian rulers in Peking, sweep out every foreigner, and found a new China free from the land-grabbers and Western traders, with a real Chinese dynasty governing the people. 135/136.

Nothing made further foreign penetration into China more certain than the acts of murder and pillage against European subjects and missions.

The campaign of terrorism did not unseat the Empress-Dowager from the throne. But it brought the warships and forces of eight Great Powers into Chinese ports, and resulted in the guns of a foreign army being heard in Peking, whence the Empress-Dowager had fled in old clothes from the wrath of the avenging troops, taking with her the deposed Kwang Hsu lest any marauding reformer should replace him on the throne in her absence. 136.

The final summing up, while imposing an indemnity and stringent guarantees against any renewed outbreaks aimed at the foreigner, went in her favour. Perhaps the European Powers remembered that three-quarters of China, including all the South, had remained outside the Boxer rising; possibly they were pacified by the alacrity with which this woman meted out punishment to guilty governors and officials who had encouraged the outrages. But the indemnity, to be levied for thirty-nine years, was a blow almost beyond the financial capacity of the country, and promised further trouble for the ruling party.

The Empress-Dowager, for some time after the signing of peace, left the government to her officials, while she herself prepared to reverse her previous policy. 137.

Before the effects of these hurriedly conceived reforms could be ascertained, another blow was struck at China from beyond her borders. A band of Cossacks was attacked at Blagovestchenk, in Manchuria, and as a reprisal Russia sent a punitive expedition, which exceeded its authority and drove 2,000 inhabitants into the river, where they were drowned. This was followed by a Russian occupation of Manchuria. 137/138.

The effects of such a move were far-reaching. Russia who had seen her hopes of an ice-free port on the Pacific dwindling after the Chino-Japanese War of 1894, now believed her dreams to be nearing realisation. In addition, the seizure of Manchuria had increased her influence in the Far East, towards which the eyes of the Russian Czars had been turned for years, during which "Westernisation" had been deprecated in Russia just as it was still opposed by the reigning imperial family in China. 138.

Russia had reached Port Arthur, and the Japanese, fearful of her rising influence in the East, but confident in their own power, precipitated the Russo-Japanese War as the only settlement offering a promise of finality. 138.

For the first time an Eastern nation gained a decisive victory over a European Power on land and sea alike. 138.

The Russian fleet, of indifferent constitution and morale, sailed round the world to meet the might of the new Japanese Navy in the China Seas, and was destroyed in the Straits of Tsushima.

China took no active part in the war, although it was fought out on her territory. Her rulers, still scared by the aftermath of the Boxer rising, were forced to remain spectators in this crucial struggle between East and West, out of which came the slowly dawning consciousness of danger to China in a powerful "Westernised" Japan at her door. 139.

This situation naturally reacted on the political situation within China. There was a renewed desire for reforms, drawn up on a more ambitious scale than that refused by the Empress-Dowager in 1898. 139.

She bowed to the new agitation, and in 1906 issued a Reform Bill, which promised a more or less democratic Constitution when the people should be ready for it, 140.

Indeed, she went further. More railways were authorised, drastic changes were made in the system of choosing officials by examination, which had existed since 134 B.C., and a reform of the Chinese army, still largely controlled by provincial governors, as in ancient days, was instituted under the guidance of Yuan Shih Kai, the Governor of Shantung, the province which had seen the beginning of the Boxer trouble.

All China was in the melting-pot during those years that followed the Russo-Japanese War. 140.

The reply of the Empress-Dowager to continued agitation was to offer the reformers a national Parliament in 1916. This move, tempting as it appeared at first sight, was really an effort to postpone for another ten years the evil day when the power would pass from the throne. It was made in 1906, and those putting it forward knew that much might happen before 1916 which would, were the reformers silenced, obviate the trouble of honouring the promise when it fell due. 140.

Had the Empress set about the task of modernising the Manchu military organisation, called the Eight Banners, while there still remained time and opportunity, the plan to quieten the awakening masses by the offer of future

democratic government might have saved the Manchu dynasty. But the Manchu military organisation in Peking continued to rely on bows and arrows, as they had done for centuries. The lessons of the war of 1894, and the more recent one between Japan and Russia, were lost upon the military advisers around the throne, with the result that, when 1916 dawned not only had power passed into other hands, but the Son of Heaven, imperial ruler of China and occupant of the oldest throne on earth, had been swept away.

The Empress-Dowager died in 1908 at the age of seventy-five, her death taking place somewhat dramatically, for a few hours before the end the deposed Emperor, Kwang Hsu, expired in circumstances that were never, I believe, fully explained.

The Empress on her deathbed had decreed that the throne should pass to Kwang Hsu's nephew, Hsuan Tung, then a child of three, and that a Council of Regency be set up to govern in the spirit of the reforms she had planned until he became of age. 141.

The Imperial Senate, the first step towards democratic government promised by the late Empress-Dowager, met in 1910, and showed itself strongly in favour of the reformers, and their plans for quickening the march of progress.

Yuan Shih Kai, as their leader, was rapidly gaining power, and on the ground that he had been concerned in the death of the Emperor Kwang Hsu, was forced to leave Peking. He retired to Shantung, and there awaited the opportunity for which he had been actively working.

In May, 1911, a Council of Ministers chosen from the Senate took over the reins from the Grand Council, which had hitherto conducted the administration of the country and contained men of experience and judgment. 142.

It was decreed that railways built in China would come under control of the Council of Ministers, and that new lines were to be constructed by that body.

The import of this move was obvious to all who knew China. In that country the railways were considered of primary importance for the rapid movement of troops to any part of the empire, and only incidentally as a means of transport for civilians and merchandise. By securing direct control over the railways the Central Government were in a position to rush an army to any part of the country that threatened revolution. 142.

The real significance of this development was not lost

on the growing numbers of educated Chinese and students who aimed at really democratic government. It meant the strengthening of Peking and the "old party," and discounted from its inception the importance of the opening of China's first Parliament, already fixed for 1913.

Whether the Chinese were really a democratic people, as the reformers believed, and whether the change over in a few years from absolute monarchy to Parliamentary government was in the interests of the country, or even a wise step, are questions to which only carefully qualified answers can be given at the present time.

It is true that, socially and industrially, the Chinese have for centuries been a democratic people. In China nothing ever prevented a boy of natural talent and industry rising from the lowest occupation to the highest office in the land. 143.

The reformers decided that the time had come to expel the Manchus, to clear away the cliques around the throne who side-tracked every effort towards democracy, and by proclaiming a republic, give self-government to China. With that decision there followed the revolt of 1911. 144.

Yuan Shin Kai was able to stem the further advance of the armed reformers, but, the terms of settlement being left to him by a Regent who wanted peace at almost any price, he disclosed his real sympathies by allowing the apparently beaten rebels to practically dictate terms. 144.

Before the fate of the throne had been decided, events took a dramatic turn with the appearance at Canton of Sun Yat Sen, who had been in Europe when the revolution broke out. His advent was followed by a declaration setting up an independent Republican Government for Southern China, with its capital at Nanking and himself as first President. 145.

This announcement was published to the world on January 1, 1912, and it found Yuan Shih Kai unprepared to meet the new challenge. The Treasury at Peking was empty, there were murmurs among some of the Northern troops which suggested that his popularity was waning, and famine in Central China. 145.

For these reasons Yuan Shih Kai wisely decided against fresh hostilities to crush this new and spectacular defiance of the Manchu dynasty, which he still - nominally, at any rate - supported. Probably he knew that China's days as an empire were already numbered. From the moment when Sun Yat Sen's declaration divided China into two camps he turned

his attention to clearing away the imperial tie, and thus opening the road to a reunion of Canton (South) and Peking (North) under a republic. 145.

The end of the Chinese monarchy came on February 3, 1912, when the Manchu dynasty, which had withstood all attempts of foreign enemies to dislodge them, abdicated after signing a secret edict giving full power to Yuan Shih Kai.

The final phrases of the edict of abdication were:

"We hereby proclaim to the Imperial Kinsmen and the Manchus, Mongols, Mohammedans, and Tibetans that they should endeavour in the future to fuse and remove all racial differences and prejudices and maintain law and order with united efforts. It is our sincere hope that peace will once more be seen in the country and the people enjoy happiness under a republican government."

With those words the Son of Heaven, who had "reigned over all beneath the sun," and whose forbears had occupied the imperial throne of China since 2752 B.C., handed over the government of China to the rising tide of democracy. 146.

During forty centuries numerous dynasties had occupied the throne of China. The Manchus, the last of these, had ruled from A.D. 1644 until 1912. Effete and corrupt for years, and aliens in the eyes of China, their passing was no loss to the country. For generations they had stifled instead of fostered the national aspirations of the Chinese people. 146.

The immediate effect of the overthrow of the monarchy was what Yuan Shih Kai had hoped. Sun Yat Sen, the self-styled "President" of Southern China, resigned two months later in order to assist him in the unification of North and South. 147.

More difficult to adjust was the problem of finance. The Treasury was empty. Money was urgently needed to pay the troops and officials, and the only way to secure it, and quickly, was to borrow from abroad. The new powers in China were, however, opposed to foreign loans, since they implied foreign supervision and a tangible hold upon the security.

Yuan Shih Kai was forced to bow to the logic of events; the foreign loans were obtained, enabling the Republican Government to function while a National Advisory was formed. 147.

This Council survived for only one year, and in 1913 the first National House of Parliament met for the purpose of confirming Yuan Shih Kai as President. 147.

China's first attempt at Parliamentary government, promised years before by the Empress-Dowager, began in unhappy circumstances, for a few hours before the first meeting the leader of the Kuomintang, or extreme Republican party at Canton, was assassinated when about to take the train for Peking. 148.

The second revolt of 1913 was suppressed, and, as President, Yuan Shih Kai proceeded to take even wider powers into his hands. Among the measures initiated to knit China closer to the Central Government was the appointment of military governors to each province over the civil authority. This development, following the revolt of 1913, is of more than passing interest for those who would understand the China of today, for up to that time she had been a nation in which the military were held in contempt. Soldiers were grouped with servants in the eyes of society. By this decree the civilian governors, hitherto holding supreme power, stepped down for the first time in history, and soldiers were appointed above them. 148.

The first National Parliament of China, never more than a phantom legislature, was dissolved the following year, when an Advisory Board was set up in its stead, most of its members being chosen from Yuan Shih Kai's supporters. 148.

A remarkable feature of the new authority assumed by the Central Government was the "Constitutional Compact," by which the President remained in office for ten years, at the end of that term his successor to be chosen from three persons nominated by the retiring President. It is doubtful if such an arrangement would have been accepted by any party, however reactionary, in any other country in the world. 149.

Thus matters stood on the outbreak of the Great War, a conflict that had barely started when China became the scene of one of the most sensational diplomatic moves of our generation. This was the Japanese bid for domination in China and the Far East by the presentation to the Peking Government of an ultimatum in the form of the famous Twenty-One Demands. 149.

When, in January, 1915, this document was suddenly presented at Peking, it was clear Japan intended to forestall any possible partition of China among whichever set of

European Powers might prove victorious in the war. 150.

Fearful of the continued presence of Japanese troops at Kiaochao, China informed Japan that permission to use the province of Shantung, in which Kiaochao was situated, for military operations would be withdrawn, since with the departure of the Germans the necessity for any warlike movements had disappeared. 150.

Japan replied to this claim to quit Chinese soil by regarding the demand as an indirect slight, and forthwith presented her Twenty-One Demands, divided into five groups. This document, given acceptance in its original form, would have allowed Japan virtual control over the Chinese Empire. It was handed to Yuan Shih Kai with the utmost secrecy on the night of January 18, 1915.

It aimed at the elimination of European and American influence; no document in history was ever so drastic or struck more directly at a national sovereignty. 150.

An ominous sign, to those acquainted with the methods of Oriental diplomacy, was the fact that the paper on which the demands were set out had for its watermarks warships and machine-guns - a significant fact in a world where hints or suggestions are more usual than direct diplomatic statements. 151

More fatal to Chinese national aspirations than even these provisions, however, was the list of demands set out in the notorious Group 5 of the document. 151.

Article 1. The Chinese Central Government shall employ influential Japanese advisers in political, financial, and military affairs.

Article 2. Japanese hospitals, churches, and schools in the interior of China shall be granted the right of owning land.

Article 3. Inasmuch as the Japanese and Chinese Governments have had many cases of dispute between Japanese and Chinese police to settle, cases which cause no small misunderstanding, it is for this reason necessary that the police departments of important places (in China) shall be jointly administered by Japanese, and Chinese, or that the police departments of these places shall employ numerous Japanese, so that they may at the same time help to plan for the improvement of the Chinese Police Service.

Article 4. China shall purchase from Japan a fixed amount of munitions of war (say fifty per cent. or more) of what

is needed by the Chinese Government, or that there shall be established in China a Chino-Japanese jointly worked arsenal. Japanese technical experts to be employed and Japanese material to be purchased.

Article 5. China agrees to grant to Japan the right to construct a railway connecting Wuchang with Kuikiang and Nanchang, another line between Nanchang and Hanchow, and another between Nanchang and Chaochou.

Article 6. If China needs foreign capital to work mines, build railways, and construct harbour works (including dockyards) in the province of Fukien, Japan shall be first consulted.

Article 7. China agrees that Japanese subjects shall have the right of missionary propaganda in China. 151/152

The demands, much modified, were pressed upon Yuan Shih Kai and his Advisory Council, and accepted on May 11, 1915. Had any form of plebiscite been possible, it is certain that the demands would have been rejected by the nation. 153.

At the appropriate moment Yuan Shih Kai called upon the provinces to vote on the question of whether or not he should abolish the Republic and be installed as the first of a new line of emperors. Bribes, judiciously distributed in the right quarters, resulted in heavy voting for the crowning of the erstwhile "President," and the coronation was fixed for February, 1916. 152.

In laying his plans Yuan Shin Kai had apparently forgotten one thing. He had overlooked the possibility of intervention by the Japanese. 154.

Actually it was an insurrection fomented by Japanese propaganda against him that brought about the collapse of his schemes. After some fighting, he yielded to the threat, and, abandoning the plans for his coronation, announced the formation of a Cabinet to maintain the Republic. By this time, however, there were powerful parties in the land which had lost faith in his passion for democracy. These groups declined his offer, and in the South a number of provinces declared their complete independence of the Central Government, forming a Southern Republican Confederation at Canton, the scene of Sun Yar Sen's former attempt to organise the South as a separate unit. 154.

Before Yuan Shih Kai could move against this new menace to his personal power he died - on June 16, 1916 - and thus passed the first President of the Chinese Republic, and

the Governor whom, distrusted first by the Emperor and later by the people, nevertheless managed to maintain his personal ascendancy to the last.

Yuan Shih Kai found no easy task during his years of office in Peking, and the measure of his success may be judged by the fact that China was afflicted with no fewer than five Presidents in the eight years following his death. 154.

With Yuan's demise power passed to Vice-President Li, his right-hand man, the newcomer being immediately faced with civil war between the Canton Nationalists, as the Southern Confederacy now styled itself, and the Peking Government. This renewed internal chaos gave further opportunity to a European Power to strengthen her hold on the Far East at the expense of a distracted China. France, who desired to extend the treaty territory at Tientsin, seized Lao Shih Kai. This action may, or may not, have had some connection with the fact that the Chinese openly favoured the German traders.

A new figure now makes his appearance on the Chinese stage. This is Tuan Chi Jui, a man of influence with the military governors, who opposed President Li for control of the Peking Government, and demanded that China should declare war on Germany. 155.

To settle the deadlock between these rivals, a third leader, Chang Tsun, a thorough-going reactionary, was called in at Peking as mediator. 155.

This passing of power into the hands of the military was followed by yet another revolt in the South, always the most democratic centre of the country, but it did not prevent Chang Tsun from carrying out his real purpose - achieving a coup d'etat and placing the deposed Emperor, still a young man, once more upon the Dragon Throne. 155.

This mock restoration was carried out by a force of some four thousand badly equipped troops, who entered the palace at daybreak and seated the boy Emperor upon the throne. There followed one day's fighting, and with the setting sun the farce was over and the Emperor had disappeared again into the retirement from which the scheming Chang Tsun had dragged him.

Tuan Chi now united the Northern Generals and re-established the Republic. A new Parliament was elected in August, 1918, while the members of the dissolved legislature

met in Canton as a rival body, with Sun Yat Sen as their leader. The new President now tried, with more patience than success, to bring about a union between North and South. Negotiations resulted in an armistice, and a conference was held at Shanghai, but no agreement was reached.

Thus China slowly relapsed into the long drawn out battle between North and South which has been the dominating factor in that country for the past eight years. 156.

At this moment in her history, when world opinion and the Chinese people realised that democratic government had created more abuses than it had cured, China - or that part controlled by Peking - sent delegates to the Peace Conference at Versailles. For the first time in history the representatives from the most ancient empire sat side by side with those of the Great Powers of both Old World and New. China expected much at Versailles. Had she possessed internal peace and a strong Central Government, she might have secured a new prestige and dignity - have definitely taken her place in the comity of nations, as Japan had done a generation before.

Unfortunately for China, and I think, for the world, she was disappointed. The German lease of Kiaochow, on the return of which China had counted, was transferred to Japan. Her representatives had to return from the Peace Conference to report that even the one piece of "unredeemed China" at the gift of the Conference had been handed to a foreign Power.

The effect of this failure on the political situation was quickly revealed. Anti-Japanese riots broke out on a large scale. Tuan, sensing the hostility against him, formed the Anfu party to consolidate his hold on Peking, the possession of which city still meant control of most of the revenues. Chinli and Fengtien revolted against him, and Wu Pei Fu, their leader, defeated the Anfu forces, a victory which was followed by the rise to power of Chang Tso Lin, who obtained control of the Central Government in Peking in 1919. 157.

During this period of chaos into which the nation was entering two outstanding figures appear - Chang Tso Lin in the North and Sun Yat Sen in the South. 158.

Chang Tso Lin remained firmly in the saddle until 1922, when he quarrelled with Wu Pei Fu, a rival Northern leader, and a new civil war broke out, in which Chang was beaten.

Shortly after this defeat of the Northern dictator, Sun Yat Sen was once more overthrown in the South. 158.

The national break-up had reached its final phase; the old unity had gone, and the fire of a new and robust nationalism destined to replace it was smouldering unseen in the pulsing heart of China. But the new forces were already there, and after 1922 the struggle between North and South took a new and definite form, focusing world-wide attention on the problems involved. 158.

The story of China from 1922 to the present day is a pitiful narrative of a great civilisation, more ancient than that of Greece or Rome, as old as the civilisation of Lower Egypt, crumbling into final ruin. 161.

Chang TsoLin was reputed to be a capable soldier and a "strong man" of the type that had often saved China from disruption in the past. Moreover, the Chinese masses had been accustomed by centuries of despotic, almost patriarchal, authority to look to one man for guidance and government.

So, no doubt, reckoned Chang Tso Lin when, securely in possession of Peking, he heard that the Kuomintang party, formed by Sun Yat Sen into a Southern Republic in Canton, intended to dispute his authority and engage him in civil war.

Events might have gone in his favour had not the Cantonese Republican Government taken a step without parallel in the history of the Chinese Empire. This was the despatch of a "mission" to Moscow, and the formation of a close alliance between the Southern Government and the Russian Soviet - the first occasion on which any Chinese party, rebel or otherwise, had concluded an alliance outside the borders of China. 162.

It gave them advisers of every kind. Russian officers undertook the training of their armies, Russian artillery, machine-guns, ammunition, rifles, were poured into China to strengthen the Soviet allies. With this material assistance came Red propagandists, who infected both Canton Government and people with the virus of Bolshevism. They preached the doctrine that the foreigner had for centuries battered on the poverty of the Chinese masses. 162.

Strikes followed, a boycott was proclaimed that held up the entire trade of Hong Kong for months, "incidents" occurred in which foreigners were fired at and British ships captured, for all the world as if China was at war with the British Empire. 163.

These demands, enforced only by words at first, but later, at Hankow and elsewhere, by violence, led inevitably to reluctant action by the European Powers, and to the despatch of British warships and a defence force of several thousand men to defend Shanghai and other threatened points. 163.

Tuan Pao Chi's Presidency of China ended in July 1924. During his term of office another important step, alike for China and the whole world, was taken by the return of Russia to a voice in Far Eastern affairs, following the completion of an agreement signed by Wellington Koo on behalf of the Peking Government, and Karakhan for the Russian Soviet. For the first time since her defeat in the war with Japan, the voice of Russia, and of a Russian more bent upon fomenting trouble than any Czar of the past, was now to be heard in the councils of those in whose hands lay the destinies of China. 164.

Wellington Koo became acting Premier for a few weeks, and then, in his turn, disappeared to make way for Dr. Yen.

Dr. Yen always gave me the impression of being a leader possessing far more character, in the Western sense, than those who have since followed him. That opinion was shared by the officials of other foreign Governments who had dealings with him. 164.

Dr. Yen did not proceed to end the civil war in victory for the Northern forces at all costs. He acted wisely, however, in first undertaking the improvement of foreign relations and central finances.

So vast is China in area, so numerous in population, and so lacking in means of communication, that often in her history one or more provinces have been in open rebellion, often for years, without it having any appreciable effect either on the power, wealth, or prestige of the reigning emperor. As long as the national revenues were paid to the Central Government at Peking, the fact that several southern provinces, refused to co-operate in the government made very little difference. 165.

On the other hand, upon cordial relations with foreign Powers depended those very revenues which provided the war chest in Peking, and financial stability was an essential preliminary to win over the South and unify the country. 165/166.

Dr. Yen's plan might have succeeded, in spite of Russian gold, but for a new move by Chang Tso Lin, who in 1924, suddenly announced the formation of a separate Government of his own creation at Mukden, the capital of Manchuria. The immediate result of this fresh split was the diversion of part of the revenue due to the Central Government from Manchuria to Chang, who also declined to allow the agreement between the Peking Government and Russia, signed in that year, to operate in his territory. Designs on the independence of Manchuria by Russia in the past were the reason actuating Chang in his determination to have no dealings with that country today. 166.

In addition to the Government of Dr. Yen, which controlled Peking, Chang had a rival in Wu Pei Fu, another provincial war lord who, operating from his own province of Honan, aimed at the unification of China, North and South, under his own leadership. Wu Pei Fu's power already extended over fourteen provinces, from Tsingtao across to Tibet, down the Yangtse and up to the northern frontier of China proper.

Thus Dr. Yen, who was styled "War Premier" in Peking, was faced with three rebellions simultaneously, of which the main one was the breakaway of almost all the country south of Canton, governed by the Kuomintang Republicans with the aid of Russian money and assistance. 167.

Early in 1926 a coalition was evolved from the forces of Wu Pei Fu and Chang Tso Lin, the combined armies being sufficiently powerful to advance on Peking, rout the supporters of Tuan Chi Jui, and force the "President" of China to flee from the city. 168.

Since April, 1926, the story of the North is mainly concerned with the efforts of four rival tuchuns, or provincial military governors, to agree among themselves, and furnish from their respective provinces the armies with which the Central Government at Peking could gain control over the South.

These war lords, who form the anti-Cantonese coalition, and upon whose forces the continuance of the Peking Government depends, are the celebrated Chang Tso Lin, the Manchurian leader; Wu Pei Fu, ruling in Honan; Sun Chuan-fang, the Governor of Kiangsu, part of Anhwei, and Chekiang; and Chang Chung-chang, Governor of Shantung. 169.

The strongest unit of the Northern force is Chang Tso Lin's army, numbering 150,000 men and 1,200 guns, and

including a special brigade of "shock troops" recruited from "white" Russians who are refugees from that country. Behind this army, which garrisons Peking, are the arsenals in Manchuria, linked with the capital by a railway still in working order. Meanwhile their numbers may be increased by "press gang" methods during the southern operations. 172.

Next in importance comes the army of Wu Pei Fu. He has reorganised his forces, and built up a new reserve composed of recruits and deserters, who in China pass from one army to another without even the formality of a change in uniform. 173.

The combined armies at the nominal command of the Peking Government number 450,000. Their resources in money and munitions are greater than those at the disposal of the Cantonese commanders, apart from Russian supplies, the extent of which is unknown. 174.

In a statement as to the probable course of the 1927 operations we must bear in mind a potential rapprochement between North and South on the basis of a united front to the foreigner. At present there is no sign of such unity eventuating. Indeed, the Northern leaders, despite rumours to the contrary, appear as strongly disinclined as ever to negotiate with a Government seeking to rule China by methods imported from Soviet Russia. 175.

If the North can achieve their plan of campaign, or regain Nanking and Shanghai, their prestige will rise in proportion, and the claim of the Cantonese to recognition as the only possible Government of all China will suffer a rebuff from which they may never recover. 175.

We will consider the rival power of the South, which has already maintained the civil war for fifteen years, and with the proviso of Soviet aid might still continue to do so for an indefinite period.

The Kuomintang, or Cantonese party, whose rise is related in the previous chapter, ranks as the oldest and most efficient political organisation in China. 176.

Its strength today is approximately 750,000, but since the capture of Hankow and Shanghai, and the subtle efforts exerted to secure widespread support of the masses, its sympathisers probably total many millions. 176.

In China, more than in the West, hard cash dictates action, and the force whose pay is in arrear at once becomes subject to a process of disintegration. 177.

The first links between the Southern Government and the Soviet were forged shortly after the formation of a definite Government in Canton in 1918. From that date the initiative of the Kuomintang has in the main passed to Moscow.

So far as Southern China was concerned, from about 1920 its leaders had abandoned attempts to govern by methods suggested by, and suited to, the Chinese themselves, and actively prepared to put into practice Communist theories.

The Bolshevik domination in the Cantonese Government should not blind us to the fact that the Kuomintang party contains leaders of intellect and honesty of purpose. 178.

The Right wing, comprising those leaders who believe that with the defeat of the North it will be feasible to dismiss their Russian advisers, are opposed to much of the Soviet activity in China, and advocate an early termination of the alliance.

The Left wing, led by Mr. Eugene Chen, favours continued alliance with Bolshevik Russia, with the support in material and personnel that it secures. 179.

The plan of campaign and method of organisation adopted by the extremists, who assumed the upper hand on the death of Sun Yat Sen in 1924, are based on the principles followed by the Bolsheviks after the Russian Revolution.

The Kuomintang, through Mr. Eugene Chen, declares that China has been ruined by war and revolution, by foreign oppression, and by foreign privileges and concessions extracted from corrupt Governments of the past who were not representative of the Chinese people. 180.

As in Russia, the workers are the basis of the Cantonese movement. 181.

The formation of labour unions has been encouraged, and in Southern China there are now 280 separate unions with political bureaux controlled by Soviet agents. 182.

Careful estimates by expert observers on the spot estimate the strength of the Cantonese army in April, 1927, at 200,000 men or 300,000 if nondescripts and new recruits are counted. 183.

The armies are equipped with modern rifles, hand

grenades, and light artillery, and have aeroplanes and siege-guns - the latter not at the disposal of the opponents. They have, moreover, the active assistance of entire corps of Chinese and Russian propagandists, organised by Jacob Borodin, the Russian "dictator" at Hankow, whose role is to lighten the task of the army by fomenting strikes and mutinies within the Northern lines. 184.

The Commander-in-Chief of the Cantonese army is Chiang Kai-Shek, who first became prominent in 1924. 185.

Collaborating with him in these victories is a mystery figure - General Gallents, a former Austrian staff officer, who, after 1918, served first with the Bolshevik army, and later went to China to assist the Cantonese forces.

Allied to these two Generals, although as yet taking little part in the campaign, is Feng Yu-hsiang, the best-known war lord who has hitherto joined the Cantonese. Feng is the "Christian" General who taught his troops to sing hymns on the march, and after his defeat by the combined forces of Wu Pei Fu and Chang Tso Lin in 1925 resigned his command and proceeded to Moscow. There he studied Soviet methods, returning in the autumn of 1926 to assume control of part of Wu Pei Fu's forces that had gone over to the Cantonese. Feng has since joined in the anti-British propaganda issued from Canton, but it is doubtful whether his forces at the moment number more than 30,000 men, so that the support which he can offer to the Cantonese commanders is limited. 185.

The cumbersome title of extra-territoriality is the right exercised by the British Government, through its consular and judicial authorities in China, over British subjects who are beyond the jurisdiction of the laws of China, and can only be dealt with for any offence by those authorities. The necessity for this has been evidenced in previous chapters, and it is clear that the laws and judicial system of China are in such a lamentable state that European and American Powers have not felt themselves justified in confiding their nationals to the care of Chinese law.

The right that foreign subjects should be amenable to their own laws dates back to 1620, when the Treaty of Nerchinsk between Russia and China was signed. 191.

The last Power to obtain these rights was Japan at the close of the Chino-Japanese War of 1894-95.

The Treaty of Nanking, signed in 1842, made provision for consular officers at the five ports opened, and by general

regulations drafted a year later definite arrangements were concluded for British law to apply to our own nationals. 192.

Detention of accused and others in the yamens, or magisterial headquarters, is an objectionable feature of the Chinese system. Persons so detained languish in prison awaiting trial or investigation in proportion to the amount they can produce to satisfy the demands of the prison staff. 194.

A confession is insisted upon before punishment is awarded. In the western provinces, for example, it is no uncommon thing for a prisoner to be kept awake for days on end in order that his mind may be brought to such a condition that he is ready to do and say whatever is demanded of him. 194.

The Chinese official is by no means hidebound, nor does he rely solely upon precedent or immemorial custom as the solution of a difficulty. One magistrate showed his acumen in detection of a robbery case that came up for trial at his court. Four men were involved in the affair, but the evidence was conflicting, and the case was therefore adjourned until the morrow. When the court reassembled the magistrate took out the four accused to a temple hard by, closed the doors, and then made them kneel down by the wall which had previously been covered with lampblack. The building was in darkness, and he directed them to place their hands upon the wall and pray, adding that whoever had committed the crime would have a black mark upon his forehead. The simple tiller of the soil amongst the four, who was really the culprit, became alarmed, and quietly endeavoured to efface the mark that he imagined must be on his forehead. 195.

An agreement was concluded between Great Britain and China in 1902, under which it was stipulated that China, desirous of reforming her judicial system and bringing it into line with that of Western nations, should receive assistance from Great Britain to that end, who, when satisfied that the state of Chinese law and the arrangements for its application warranted her in so doing, should surrender existing privileges. 196.

In 1903 a similar agreement was entered into with the United States. 196.

A clause to that effect was also inserted in the agreement concluded with Japan in 1903. 197.

The Commission was to commence its work in 1925, but owing to the fighting and civil warfare raging throughout all the provinces adjacent to Peking and Shanghai, its task did not begin before January, 1926.

It is significant that the Cantonese declined to receive the travelling committee, or to assist the commission in any way, arguing that the extra-territorial rights should be abrogated without investigation. It would have been well for the committee to see prison conditions in the south as an additional argument in favour of retaining the rights until reform has been really instituted and carried out. One of the chief factors which militates against the normal administration of justice in China today is the interference with the departments of civil government by the military leaders. The military interference with the civil administration extends to the judiciary, so that the independence of this branch of the Government is endangered. 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 all courts. 199.

Cases of torture for the purpose of extracting confessions of guilt, and for the punishment of certain offences, as well as cases of ill-treatment of prisoners, still occur in China. 200.

It is significant that no facilities were afforded the Commission to see the workings of any of the police tribunals. 200.

In the west, too, some of the punishments are ingenious and cruel, being awarded according to the nature of the crime. For serious offences, which we might term manslaughter, the criminal may be placed in a cage with his head through an opening at the top. He stands on layers of bricks which are just high enough to support him without strain on the head. These are gradually removed, one every day, until his toes barely touch the ground, and he is thus left to die by slow strangulation. 201.

When Japan, by her victory over China in 1895, and her phenomenal success against Russia ten years later, assumed a dominant position in the Far East, there were visions of a yellow peril to which the gradual awakening of China, then beginning to materialise, gave additional colour.

The spectre was not easy to dispel, but a slight analysis would have softened the picture into less ominous tints. Quite apart from the fact that a combination between Asiatic peoples is hedged around with difficulties of faith, of language, and of social, economical, and political beliefs

so widely different and so antagonistic, even were it within the field of practical politics, the time required for such a transition, and to reconcile conflicting interests, would be the work of generations, with inevitable splits as Asiatic history has so amply demonstrated.

It is none the less a fascinating subject, especially in view of the fact that Asia once dominated the greater part of Spain when the Moors appeared there in the seventh century and carried all before them, whilst the Eastern strain in the character and bearing of the Russian people is evident. 217.

Change there has been in the Far East, but no sign of aggressiveness such as to constitute a great yellow movement against the West. The evolution has been slow; in the case of Japan it was certainly rapid, although it is not easy to dogmatise on that question, since Japan had for years remained enclosed and showed no sign of the evolution going on. It grew up like a mushroom in the night, so far as the Western world could see; the old divine principles of autocracy and the nobility of Japan were largely set aside, and in their place was moulded a political organisation on European lines, with an army modelled on the Prussian pattern, and a navy on that of Great Britain. 218.

Great Britain, whether approached first or last, concluded an Anglo-Japanese alliance, being renewed by periods of seven years until its discontinuance in 1921. 219.

For the next three to four generations Japanese home and colonial territory are adequate for her needs.

With each of the three wars in which she has been engaged Japan has emerged stronger and more united, whilst the national debt has been reduced more than any other Power, and large commercial profits are now invested in European securities. 219.

Another subject akin to the yellow peril is that of Pan-Islamism, or a confederation of the Moslem races, an idea that originated with the nationalist movement in Asia many years ago. An alliance of Moslem States, divided as they are by religious and national differences, is most unlikely of fulfilment, and there is scant possibility of its becoming a serious menace. Even were such a combination to materialise it would inevitably bring together the white races in solidarity against the danger. 220.

Change in Asia and the Far East is slow, the general trend of the Oriental mind being against haste; they are people of infinite patience, content to wait indefinitely in

the fulfilment of an object. 221.

The importation of arms into China, a traffic in which the Russians hold the leading share, is another matter of paramount interest. This illicit commerce with various Chinese military factions in the Republic, and its wide ramifications, render it essential that the facts should be given. 232.

In pursuance of their deliberations an agreement was arrived at in 1919 by which Great Britain, the United States, France, Spain, Japan, Russia, Portugal, and Brazil undertook to prohibit the export to, or importation into, China of arms, munitions, and war material generally, including material for their manufacture, until such time as a Government could be formed competent to act for the country as a whole. The agreement was to apply to contracts for arms and material already concluded but not actually delivered, to which, however, Italy took exception, for consignments of Italian arms were then en route to China and were eventually delivered to sundry war lords, action which still further aggravated the situation.

Moreover, under the Treaty of Versailles it was enjoined that Germany should not export arms and war material to foreign countries, yet an examination of the Customs returns for 1924 shows that some 32 per cent. of the arms traffic to China was conducted by Germans. 233.

These were serious flaws in the agreement between the Powers banning the traffic; it was vague and indefinite regarding machinery for the manufacture of war material, with the result that a great deal came in that was not strictly speaking legitimate, or could be adapted for the purposes of evading the Customs. This was done with the connivance of the war lords, and quantities of material were brought in under various disguises. Then again, there was no provision for aeroplanes and similar material. I have in a previous chapter referred to the air service, which had been organised under British expert advice and assistance for the Chinese authorities in 1919, it being expressly agreed that the new service, and the aeroplanes supplied, should be for commercial purposes only. The Chinese soon disregarded this promise, and the 140 machines with their equipment, were eventually seized by the militarists.

Notwithstanding the ban there is also a traffic from Japan, whilst French aeroplanes and material have been supplied to the Northern forces, in addition to instructors who are with the latter.

As already indicated, the lion's share in this arms traffic falls to Russia, and the Bolsheviks hold that so long

as the policy of disregard and repudiation of treaties is persisted in nothing can happen. 234.

In the passage of arms and war material into China by the land frontiers of Russia and Siberia the matter is simple, for in a region where the line of demarcation frequently follows the crest of mountains, broken up by small valleys and ravines, the task of controlling the inlets is a difficult one in normal times. Vast quantities of material have been recently passed through Mongolia by mechanical transport and caravan, and also by sea to Canton; indeed, there is no pretence at concealment in traversing either the Gobi Desert from the Russian border to just north of Peking, or by the sea route, and owing to the privileged position the Bolsheviks occupy throughout the world with regard to treaties and liberty of action, this brazen trade goes on unchecked.

It has, however, a more subtle and sinister aspect. Payment is not insisted upon in hard cash; on the contrary, provided an assurance is given that Soviet principles and practice will be followed no monetary payment is necessary, and it can be readily imagined that the importers find no difficulty in securing such promises. Whether they will be redeemed in the future is another matter.

The British Government by a wide system of supervision, extending even to the Central Asian frontiers of India and elsewhere, as well as by sea, has done its utmost to prohibit the traffic, and has also gone so far as to detain foreign ships calling at British ports detected in the act of carrying arms to China. 234/235.

In a previous chapter I have narrated the part played by the Japanese when Yuan Shin Kai was prevented from proclaiming himself emperor. He and Sun Yat Sen are the only leaders of any calibre who have arisen since the overthrow of the monarchy. Had Yuan Shin Kai succeeded in his project of a strong Government it is probable that the present civil war would have ended, for Sun Yat Sen had given him his support. The encouragement, however, by outside influence of an armed rising against Yuan deprived China of the one strong mind left after the chaos thus precipitated, paved the way, inter alia, for the Twenty One Demands dealt with earlier in this book. 240.

These demands were modified, it is true, not to placate China, but the European Powers, headed by Great Britain and the United States, who were in favour of the "Open Door" policy. In return for this, and her support of the

Allies during the War, Japan secured at the Versailles Peace Conference succession of all rights and privileges in the Shantung province formerly enjoyed by Germany.

China, however, at the invitation of the Allied Powers and the United States, had declared war on Germany, believing that by so doing she would regain Shantung freed from foreign control, and the discovery at the Peace Conference that the German rights were already pledged not to their real owner but to Japan, her ambitious neighbour and rival, exercised a profound impression on the Chinese mind, especially in the democratic South. 240.

We have seen the trend of Japanese policy in China in the Twenty One Demands, the claiming of a zone of influence in Shantung, her establishment of what is virtually a protectorate in Manchuria, and her backing, both by money and arms, the power of Chang Tso Lin, the Northern war lord. His continued presence in Peking, indeed, as the virtual ruler in North China, is due to Japanese assistance afforded a few years ago when part of his army mutinied and would have captured Mukden, his capital.

In thus aiding the power of the North, Japan was pursuing a settled policy of opposition to Russian domination in the Far East, and supporting the Chinese leader who could be relied upon not to introduce anything antagonistic to her need of China's raw materials for Japanese industries, nor jeopardise the Chinese field for investment of capital and a market for Japanese goods.

Had Japan not strictly maintained the neutral zones established by her influence and by treaty rights in Manchuria, and thus to a certain extent protected Mukden, and prevented the mutinous troops from using the railways for concentration purposes, the revolt would have ended with the triumph of the pro-Russian forces and the sovietisation of China. A scheme had even been drafted for the incorporation of Mongol territory in the Urga Republic, a plan which would have brought the boundary of Soviet Russia to within a hundred miles of Peking. 241

The failure of the plan did not by any means disconcert the Russians; indeed, as abundantly proved both in the preceding pages and elsewhere, Russian influence has been devoted in China during the past two years in a way hitherto foreign to any sovereign State.

The reason is apparent. With the democratic nations of the West and the great American Republic determined to limit the activities of Russian agitators anxious to stir up class warfare within their boundaries, Asia presents a tempting field

for the spread of Communism. Soviet Russia has long been aware of this, and aims at destruction of British, American, and Japanese trade and influence in that part of Asia in which much of the future history of the world is destined to be made. 242.

There were two courses open to the Bolsheviks when they decided upon the permeation of China in the interests of Communism. One was to render their support of the Cantonese open and immediate by despatch of troops to Canton; the other was to achieve the same result by confining material aid to munitions and instructors, and to trust to a trained corps of propagandists to gain the required result - the expulsion of the foreigner as distinct from Russians, and the formation of a Government looking to Moscow for advice and assistance. 242.

The first policy, if adopted, would have precipitated Moscow in a foreign war at a moment when the Russian Treasury was empty, for if Russia had moved Red troops into China or Manchuria they would have fallen foul of Japan as well as Chang Tso Lin. Apart from that, the safety of Vladivostock and the Pacific littoral would have been endangered. Russian interference in Chinese internal affairs may yet result in conflict with Japan, for the latter views with extreme disfavour the activities of Russian agents attempting to inflame China. The collective pressure of the European Powers and America may avert that danger, but the factors behind it will remain. It is not improbable that the first decided check to Moscow's ceaseless propagandist activity in Asia may eventuate through the imperative need to Japan of maintaining her influence in the Pacific. 242/243.

While the Japanese are still unpopular owing to their action in Shantung and Manchuria, Russia is acclaimed by the Chinese radicals as the one power that did not join "the brigand band of predatory nations" who, according to the Cantonese leaders, sought to keep China weak and helpless, industrially and financially, for their own ends. 243.

British-American policy remains that of the "open door" to China, and a neutral attitude in her affairs. At the same time we do not wish to see Russia or Japan securing any form of "protectorate" over one-fourth of the human race during the years while the new China is being evolved. Our interests in the Pacific, and as the greatest naval Power, make it imperative that this ocean shall not become the zone of influence of any one Power. For this reason our policy favours international rather than national action on all questions appertaining to China and the Far East. 244.

With the exception of the United States, British policy during the past few months has been more benevolent than that of any other Power. Although legally justified in refusing modifications, we have waived our privileges at Hankow and Kuikiang, and negotiated fresh terms with Mr. Chen which virtually handed over the British concessions there to the Cantonese. A similar agreement may be expected at Tientsin, and it is probable that in the immediate future, when the Cantonese or other Government can claim to speak for China as a whole, the present concession system, at least so far as this country is concerned, will have passed away, and the former concessions be administered by joint councils of British and Chinese residents. The date of this transfer rests with the Chinese people themselves. As long as a repetition of the incidents following the fall of Shanghai and Nanking in March, 1927, is likely, no Government can agree to withdraw the requisite protection to safe-guard the lives and property of its nationals from looting, murder and riot. 244.

Farsighted diplomatists saw that bringing an unprepared China into the Great War was an error, the truth of which time has since confirmed.

By encouraging the Peking Government to withdraw the privileges and concessions enjoyed by treaty rights from Germany and Austria, the Allies raised the question of foreign treaties, jeopardised their position in China, and paved the way for the present attitude towards them. 245.

Even in 1920 we might still have gained Chinese approval and strengthened our position by offering the enlightened reforms contained in the British Memorandum of December 24th, 1926, rather than to have delayed concession to Chinese sentiment in the hope of securing concerted action by all the Treaty Powers. This unity was never, in fact, achieved, and in the end it became necessary to offer a review of the treaties without support from France or Italy, although our policy was viewed with approval by Washington.

Future historians will perceive that had the reforms thus offered to the Chinese nation been spontaneously granted to Yuan Shih Kai, much of the present turmoil might have been avoided. 245.

Farther south, our new naval base at Singapore will ensure the adequate protection of British possessions in the Southern Pacific Ocean, including Australia, New Zealand, and Tasmania, in the event of an attempt to promote race rivalry in that area of zealous competition for territorial expansion and influence in the China Sea. 246.

British interests in the Pacific, with the exception of our Chinese trade and the defence of Western Canada, lie south of Hong Kong. North of that port we wish to discourage any advantage being reaped from the chaotic state of the former Chinese Empire, and to protect the lives and property of our own nationals. 246.

The United States, whose influence is outstanding in the Pacific, has for years adopted a similar attitude. 246.

The United States has regarded the Pacific as a vital spot in her world influence since the opening of the Panama Canal, the construction of which has altered the strategic position.

It will be of interest to sketch the rise of American power and influence in the Pacific and Far East. It really began with the establishment of the United States on the Pacific coast by the settlement of the Oregon boundary question in 1846, followed by the annexation of California in 1848, which step led to direct concern in Pacific and Eastern affairs. In 1869 came the railway to San Francisco, affording rapid means of communication, and, incidentally, a set-off later on to the Suez Canal. Although political progress was marked, commercially there was little advance, for at that time America was passing through a stage of industrial and agricultural development; this, with the schemes for railway construction absorbed attention to the exclusion of foreign affairs.

Moreover, it was the settled policy of the Cleveland administration from 1893-97 to regard both Pacific and Far East as beyond the American purview.

With the Spanish-American War of 1898 events took a decided turn; the United States by its acquisition of the Philippine Islands became a colonial Power, new politics and probabilities were opened up, direct touch was gained with the Far East, and a formidable American outpost was established in the Orient. The strategic advantage cannot be gainsaid; the Chinese coast was brought within a day's steam, that of Japan within forty-eight hours, whilst geographically the United States is at the cross-roads of commercial traffic between the continents of Europe, Asia, Australia, and America. 247.

With ourselves, the United States, Japan, and Russia in the reckoning we see that whatever may happen in China, during the coming ten years, there is little likelihood of any one Power securing a monopoly of influence or territory in the Far East. With the fall of the Manchus there was a danger of China being divided among the Powers, but that has passed. Today

there is no nation strong enough or desirous of enforcing such a policy, while in China itself forces are stirring to life which render such dreams impossible of accomplishment. Even in the improbable event of a war between Japan and the United States, ending in an inconclusive peace and with the United States weaker than at its commencement - a view directly contrary to expert naval and military opinion - Japan would be no nearer territorial expansion at the expense of China, for she would still have to reckon with the growing power of Soviet Russia and the hostility of other Western Powers to such a move, not to speak of China herself. 248.

We may therefore eliminate the possibility of absorption of China into the territory of any nation, European or Asiatic. On the contrary, we may expect the balance of power in the Far East to swing slowly against Japan as the influence of America becomes stronger and the period of weakness in China passes. Were the Japanese to challenge this gradual evolution of history in the Pacific, the result might be to endanger their prestige in that region, and even to destroy that of the Mikado, pave the way to overthrow of the Japanese monarchy, and the rise of a radical element which would inaugurate a policy similar to the present phase in China. 248.

Another factor to be considered is that, while the history of China shows the rise and fall of dynasties, the social life of the country goes on without check and almost unchanged. When the present civil war has ended it is improbable that one-half per cent, of the population will be conscious of either loss or gain through over fifteen years of fighting. The looting or burning of the international settlement at Shanghai, had the Defence Force not prevented it, would have meant a greater loss to the Chinese masses than the depredations of rival armies, which in China have always lived on the population. 249/250.

Regarding the form of Government likely to hold power in China, we are faced with three possibilities. Ruling out, for reasons which I have outlined, that of foreign intervention, the civil war may result in (1) the entry of the Cantonese forces into Peking, the diplomatic capital, and the spread of their authority throughout China; (2) the reinforcement and final victory of Marshal Chang Tso Lin and the anti-Red Generals of the North, who are still - nominally, at any rate - supporting the Central Government at Peking against the Southern "rebels"; or (3) a "stalemate," with China divided into two separate republics - a "South" with influence extending to Hankow and Shanghai, with the Yangtse River as its northern boundary, and a Northern Republic with capital at Peking, and its chief trading ports at Tientsin and Weihaiwei. 250.

The position at present favours the last of these alternatives, always assuming that Chang Tso Lin maintains his opposition to Bolshevik influence in China, and for that reason declines to conclude an armistice with the Cantonese Government. This is assuming a great deal where China is concerned, for, as the last few months have shown, the Chinese are adepts at staging a decisive battle and then allowing one side or the other to gain their ends by bribery rather than fighting. If the story of the negotiations preceding the collapse of both Sun Chuang-fang and Chang Chung-chang at Shanghai are repeated farther north, then the Cantonese, in the absence of real opposition, may control Peking by the end of the year. 250.

A further factor is the possibility of a serious "split" in the ranks of the Kuomintang party itself. As I have shown, the latter is now definitely divided into two wings - Right and Left. At the moment the extremists are in the saddle, but in the event of the Cantonese control of all China none can say how long it would be before the saner elements seized power and put a term to Soviet domination in their councils. 251.

The only outstanding question is whether Mr. Chen's policy of negotiation with foreign Powers is to hold the field, or the demands of the extremists for forcible eviction of foreigners be acceded to. 251.

Mr. Chen and other Cantonese leaders, who aim to "win back the concessions," not by force, but by what they consider lawful means - i.e., the fomenting of strikes, boycotts, and disorders, rendering trade impossible. 252.

An idea of the future of British and foreign property may be gleaned from the experience of occupiers of the former British concession at Hankow, since the agreement abrogating British privileges in that city was signed.

At Hankow the Chinese, after agreeing to accept three seats on the council governing the former concession area, afterwards demanded the majority, thus placing the control of a section of the city built up by British enterprise and capital, and with an important foreign population, in the hands of a Chinese majority. In view of past and present experience, we could not expect improvements or the maintenance of roads, health services, and sound municipal government under such conditions. 253.

If a modus operandi can be evolved for government of the concessions by joint councils of foreigners and Chinese, and the question of extra-territoriality can be

settled without leaving British subjects at the mercy of a corrupt police service and prisons that are a byword, I do not anticipate that China will adopt unwise measures such as wresting the Customs service from the present British control, or repudiation of external debts. 253.

It is safe to predict that Communism will obtain little hold on the mass of the Chinese people. Its principles interfere with private trade, which is vital to the Chinese, whilst they strike at private liberty, and we have seen what a strong point that is in social life. 254.

In my dealings with the Chinese I have always noticed the consistent respect shown for authority, especially as embodied in the monarchy. With a republic many Chinese argue that there must necessarily be a change of leader, this in itself investing the head of the nation with transitory power and one without prestige, whilst the strong conservative element considers it lacking in the main feature of imperialism, as the term is understood in China, that of concentrating authority and focussing the loyalty of the people. 254.

The nations in the days immediately ahead, who prove their friendship and regard for Chinese freedom and national aspirations, will reap the reward to be found in the new China that emerges from the present chaos.

The new nation will evolve slowly, and nine-tenths of it will be a replica of the old. The remainder, the governing part, will be an awakened China intent on learning and applying the scientific and industrial wisdom of the West, a vast and potential market for British and American enterprise and capital, which can offer us not only commercial reward, but the friendship of a quarter of the human race. 255.

The industrial needs of China are many. The factories of the world could work at high speed for the next generation, manufacturing goods for China alone, without raising the standard of living of the individual Chinese to that of Portugal. That is now the measure of the world's opportunity and its responsibility in China. Under wise leadership the story of Japan may be repeated on a scale surpassing anything yet recorded in history. 255.

We, on our part, have to maintain the trade so carefully and laboriously built up, while pacifying a nation that is expanding and may at times become intractable during the process. 256.

T The continuance of anarchy in China itself would, with its repercussion on adjacent States, if prolonged indefinitely, force the civilised Powers to intervene for the sake of China herself.

Read Sept 26-29. 1932.

INTERNATIONAL RIVALRIES IN MANCHURIA.
1689-1922

By Paul Hibbert Clyde, Ph.D.

1926

The Ohio State University Press Columbus

In the latter years of the 16th and the early years of the 17th century, explorers, fur traders, and brigands from European Russia began to sweep eastward across the snow-covered mountains and along the rivers of Siberia. A prosperous fur trade had drawn these pioneers to the very edge of the Pacific and with the growth of their rude outposts of empire the problem of supplying the settlements with food presented increasing difficulties. To meet this problem a movement to the south commenced, down and beyond the waters of the Amur into the land of the Manchus, whose armies were then invading China. Burning and pillaging and striking terror to the native tribes as they advanced these heralds of an expanding Russia soon established themselves at Albasin and other posts on the river, but so great had been their cruelty to the natives that these latter appealed to Peking and armies were ordered to the north to drive out the invaders. 7.

In the meantime Russian adventurers had settled and fortified Albasin on the upper Amur and now attempted to collect tribute from the neighbouring tribes who appealed to China for aid.

The representatives of China and Russia met near Nerchinsk on the Shilka, one of the great branches of the upper Amur, on August 22, 1689. The Chinese were accompanied by Jesuit fathers from Peking and a force of nearly 10,000 soldiers and attendants, a display which, coupled with the tact of the European missionaries, counted for the success of the Chinese in their first diplomatic victory over a western power. Then the Chinese, taking advantage of their greater numbers and becoming impatient at the delay, brought their opponents to a more reasonable frame of mind through an unmistakable show of force. The Treaty of Nerchinsk, the first contracted by China with a western power, was signed on August 27. By this settlement the ridge of the Stanovoi Mountains became the boundary. 9.

For more than one hundred and fifty years an era of comparative peace ruled between China and the frontier settlements of Russia in eastern Siberia. 10.

The Allies were marching on the Imperial Capital, and China's extremity was Russia's opportunity to show the sincerity of her long and unbroken friendship. General Ignatieff confirmed the Chinese worst fears and revealed the only way of escape. The intervention of a strong European power was China's only salvation. He had it within his power to make such representations to Lord Elgin and Baron Gros, commanders of the Allied forces, and this intervention China might enjoy for a simple rectification of her Manchurian frontier. 14.

In 1871 feudalism was abolished and national progress under a strong central government for the first time became possible. 16.

In 1876 Japan concluded a treaty with Korea, the first article of which declared that Korea was an independent state. In September, 1882, Li Hung-chang issued some trade regulations for China and Korea which bore no evidence of having received the approval of the king of Korea. Among other things they asserted that the peninsula was a tributary state. 17.

Japan's reply of May 1st accepted the advice of the powers to restore Liaotung with the exception of Port Arthur and Kinchow. This response of Japan was declared to be unsatisfactory to the three powers on May 4th, and counseled by England to accept in full the demands, Japan on May 5th, renounced possession of all the territory ceded to her in South Manchuria. 30.

The signing of the agreement of March 15, 1898, by which, among other things, Russia secured a lease of Port Arthur was accomplished only after bribery had been resorted to on the part of Russian officials. 51.

Public opinion in Japan was much excited by the events which placed Russia in possession of the very position from which she had compelled the Japanese to withdraw. Japanese diplomacy took no prominent part in the controversy, but facilitated the Anglo-Chinese Agreement by which Great Britain leased Weihaiwei, and thus strengthened the already excellent relations between the two countries. Yet while the Japanese government avoided anything resembling an aggressive attitude toward Russia, the occupation of Port Arthur was "a grievous hurt to the Japanese national feeling," and one that might

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Chinese hostility to Russians.

easily lead to serious consequences. 54.

A sane statesmanship, however, was in control at Tokyo and Baron Rosen who had arrived there the previous year as Russia's Ambassador reported in a private letter to Admiral Tirtoff, head of the Russian Naval Department, that while popular feeling in Japan was aroused, the Japanese government took a less sentimental and more practical view of the situation, reasoning apparently that since Russia had now secured an ice-free port in Manchuria she would cease her designs in Korea where Japan could never permit her to establish herself. 55.

In July, 1898, Russia entered a protest at Peking against a concession to British capitalists for the extension of the railways of north China to Newchwang, which, until the opening of Dalny, was the only Manchurian port at which foreign trade might be conducted. The Russian opposition was ultimately withdrawn after important alterations had been made in the concession. 55.

Had Russia been content to use Port Arthur as a naval base, refraining scrupulously from extending her influence throughout the interior of the peninsula, it is conceivable that in time Japan might have accommodated herself to the situation, for evidence is not lacking of the passive attitude of the Japanese government at the time and its desire to come to a friendly understanding with Russia on the Manchurian and Korean question. 58.

The creation of the so-called "spheres of influence" had produced a grave national problem for Peking and an acute international problem affecting all the powers possessing interests in that kingdom. It was this situation that occasioned the announcement of the "Open Door" policy, as proposed by the government of the United States. 59.

Results of this action were soon seen in the provinces, especially in Shantung, where the Governor made no attempt to suppress a secret society later known as the Boxers. At first the society had been anti-Manchu. Its chief feature now was a strong antiforeign sentiment; its main purpose to drive out the foreigners and all Chinese affiliated with them, and in particular the Christians. 59.

It is probably true that the Chinese inhabitants had received the Russians favourably at first, when their activities were confined to the main line of the Chinese Eastern Railway in North Manchuria, but after the occupation of Port Arthur considerable hostility was manifested by the native population.

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Russia declared that as soon as order had been established in Manchuria and all means had been taken for the protection of the railway, Russia would not fail to recall her troops from these territories. It was this situation that had produced a grave national problem affecting all the powers interested in that kingdom. It was this situation that occasioned the announcement of the "Open Door" policy as proposed by the government of the United States. 55.

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But in July when anxiety with regard to the fate of the legations was at its height news reached St. Petersburg of an organized outbreak against the Russians in Northern Manchuria. Large forces were moved into the area of the disturbance and order was restored in drastic manner. At Blagovestchensk on the Russian side of the Amur repression took the form of a massacre of Chinese, many of whom probably had not participated in the rising. 60/61.

Progress of Russia's policy of complete occupation of Manchuria was now rapid. In spite of official and public assurances that her intention was only the restoration of order, General Grodekof, Commander-in-Chief and Governor-General of the Amur Province, declared on August 14th that Russia had annexed the right bank of the Amur. For this action the Emperor extended his thanks and the news was published to the world. Then followed seizure of the highly important harbor of Newchang, where, after hoisting the Russian flag, Russian administration was established. 61.

Russia had already declared her intention to co-operate with the other powers at Peking and claimed to have put forward certain "fundamental principles" as a basis of common action, such as harmony among the powers, preservation of the status quo in China prior to the rebellion, and the elimination of everything that might tend to a partition of China. This opening chapter of what was to prove one of the most astonishing periods of Russian diplomatic history declared that as soon as order had been established in Manchuria and all means had been taken for the protection of the railway, Russia would not fail to recall her troops from these territories, provided the other powers did not place obstacles in her way. But military operations in Manchuria did not cease. 62.

While Russia was negotiating with the Allies in Peking for the settlement of the Boxer troubles throughout China, she considered Manchuria as a special field not affected by the Peking negotiations in which she might carry on independent negotiations, of a secret nature, with China. On December 31, 1900, the Peking correspondent of the London Times reported that an agreement had been concluded between Russia and China regarding the Russian military occupation of Fengtien or Mukden Province in Manchuria, and the resumption of the Chinese civil administration there. The Agreement was signed at Port Arthur by a representative of Tseng, the Tartar general at Mukden, and General Korostovetz, representing Admiral Alexieff, the Russian Commander-in-Chief. 63.

But in July when anxiety with regard to the fate of the legations was at its height, Russia had no intention of acquiring territory or seeking a virtual protectorate over Manchuria. Russia was restored in Asiatic Russia, many of whom probably had not participated in the rising.

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The Foreign Minister made the position of his government quite clear, in that, when the question of final evacuation of Manchuria should be considered Russia would be obliged to obtain from China an effective guarantee against the recurrence of attacks on her frontier and the destruction of her railway, but had no intention of seeking this guarantee in the acquisition of territory or an actual or virtual protectorate over Manchuria. 65.

This situation, in which an aggressive Russia was advancing to a complete control of Manchuria, which would mean eventually complete control of Korea also, was quite intolerable from the Japanese point of view. For now Japan's position in the Far East was menaced by the same combination of powers that had humbled her in 1895. It was natural, therefore, for Japan to seek support. An alliance with the United States seemed out of the question in view of the traditional policy of the American Government which at that time could not be counted upon to maintain by force the principles that it had enunciated.

With Great Britain the case was different. 70. And so, on January 30, 1902, the Anglo-Japanese Alliance was signed in London. 70.

Russia and France replied to the statement of the Alliance of March 19th by affirming that they had many times declared their adherence to the principles contained in the Anglo-Japanese agreement. In this manner the Franco-Russian Alliance was extended to the Far East, but it was noticeable that the Russo-Chinese negotiations now progressed with greater rapidity and smoothness and on April 8th resulted in the signing of what has come to be known as the Manchurian Convention of Evacuation. 71.

Nevertheless, during October, 1903, on the day on which the withdrawal of Russian troops, provided for by the Convention of Evacuation, should have been completed, two treaties of commerce and navigation, the one between China and Japan, the other between China and the United States, were signed at Peking, providing for the opening of three Manchurian towns, Mukden, Antung and Tatungkao, as treaty ports and for foreign settlement. 79.

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terms, a concession for a timber company which should have authority to exploit the great forest wealth of the upper Yalu River, which forms a section of the boundary between Manchuria and Korea. Briner was unable to organize a company and in 1902 sold his concession to Alexander Mikhailovich Bezobrazoff, a mysterious Russian promoter and speculator. 82.

At the same time the Yalu timber enterprise assumed broader proportions and in order to lend support to it and Russia's other undertakings in northern Korea Admiral Alexieff sent a force of cavalry with field guns to Feng-wang-cheng, a town on the road from Mukden to the mouth of the Yalu. 84. X

The two nations as a part of Mr. Roosevelt's plan were to meet on terms of equality, but by reason of her military and naval victories Japan naturally approached the conference with the sentiments of a victor. Manifestations of this spirit, however, were well controlled and it was a Government knowing well what it wanted, and ably counselled by the Elder Statesmen that maintained a calm attitude throughout the difficult negotiations, never allowing itself to be swayed in its decisions by the discordant demands of a war-excited populace or the military party always ready to demand an extreme and aggressive policy. 97.

Both powers engaged to evacuate Manchuria, with the exception of the territory leased in Liaotung, and Russia specifically declared that she possessed in Manchuria no "territorial advantages or preferential or exclusive concessions" in impairment of Chinese sovereignty. This declaration was in fulfillment of what Japan had most urgently desired. 100.

It should be noted, too, that both powers were to exploit their Manchurian railways for purely commercial and industrial purposes with the exception of that section of the Japanese line in the leased territory. 100/101.

Japan received everything for which she had been fighting. She was assured a predominating position in Korea; Russia was to evacuate Manchuria; the principles of Chinese sovereignty and territorial integrity had been recognised; there was to be equal opportunity for the trade and commerce of all nations; and the Russian leasehold and railway as far north as Changchun were no longer Russian but Japanese. 101. |

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The doctrine of the "Open Door" established 1843.

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The Treaty of Peking was signed. China went through the perfunctory performance of agreeing to all the transfers and assignments made by the Russian Government to Japan by Articles 5 and 6 of the Treaty of Peace. 102.

The most important clause of these protocols provided that 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 neighborhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the South Manchuria Railway. 104.

The Peace of Portsmouth was received by the nation with the utmost dissatisfaction. Outside of Japan her failure to secure the cession of Russian territory on the mainland or a money indemnity was regarded in circles hostile to her as a definite check to what was called Japan's long established and carefully planned policy of imperialism on the Asian continent. 108.

The South Manchuria Railway was to operate seven lines of railway, which, with the exception of one, had been ceded to Japan by Russia. 111.

The authorized capital was Yen 440,000,000 and the right to hold shares was limited to the Chinese and Japanese Governments and to Chinese and Japanese subjects. By virtue of the physical properties, appraised at Yen 100,000,000, which the Japanese Government invested in the Company, one million shares were allotted to the Government. 112.

The establishment of a company independent of the Government, although in reality under government control, indicated that sane counsels were to prevail in Tokyo. 113.

The origin of the doctrine which has come to be known as the "Open Door" is said to be found in instructions which Daniel Webster, American Secretary of State, gave in 1843 to Caleb Cushing as Envoy Extraordinary and Minister Plenipotentiary to China. These instructions made it apparent that the Government of the United States would find it impossible to remain on terms of friendship with China if greater privileges or commercial facilities were granted to the subjects of other governments than were granted to the citizens of the United States. 113.

The years 1897 and 1898 have become historically infamous as those in which contending European powers secured strategic leaseholds on the coasts of China, entrenched themselves in what were called "spheres of influence," and threatened in fact a break-up of the entire Empire. Alarmed by this situation the British House of Commons passed resolutions during 1898 in support of the principle of free and unrestricted commerce in the treaty ports of China. 114.

In the Boxer uprising of 1900 the representatives of the United States were guided in their attitude toward China by a telegram of Secretary Hay addressed to the Powers on July 3, 1900, declaring for the territorial integrity of the Empire. This statement of American attitude came to be closely associated with the position taken by the United States the year previous, but further than this had nothing to do with the "Open Door" doctrine; rather was it a means through which the "Open Door" might be maintained. 115.

The "spheres of influence" continued to exist side by side with the "Open Door" doctrine, the only change being that the actions of the Powers within their respective "spheres" were limited by the three specific stipulations contained in Secretary Hay's notes of 1899. 123.

The Russian method of exploitation during the years in which she pushed southward to Dalny, and later when she had established a virtual protectorate over the country, had not been conducive to international trade. The great bulk of the export trade in the south had centered at Newchwang. The victory of Japan was regarded as a triumph for free and unrestricted business competition in the former Russian "sphere." 125.

Japan, Sir Edward Grey said, was opposing the application for the construction of a particular line on the ground that an agreement was arrived at in 1905 between China and Japan by which the former country engaged not to construct any main line of railway in the neighborhood of and parallel to the South Manchuria Railway or any branch line which might be prejudicial to that railway. The existence of that agreement (the secret protocol to the Treaty of Peking, December 22, 1905) he added, was not disputed by the Chinese Government. In conclusion Sir Edward said it was open to the contractors (Pauling and Company) to prove, if they could do so, to the satisfaction of Japan that the proposed line would not prejudice the South Manchuria Railway, and so would not violate the agreement. 131.

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Japanese 21 demands

During the course of the Chinchow-Aigun railway controversy, the American Government had advanced a suggestion to the Powers concerning Manchurian railways which has come to be known as the Knox's neutralization proposal. 138.

In passing judgment on Japanese diplomacy it must be recognized that the Antung-Mukden Railway agreement, of all those concluded by China and Japan between 1906 and 1913, was the only one in which the attitude of Tokyo may be described as arbitrary. In all others there was a generous consideration of the Chinese view, at a time when actions of the Peking Government were by no means conducive to such an attitude. The old policy of playing one foreign power against another was still the main feature in her futile attempt to repel the advance of invading interests and protect what little remained of the nation's sovereignty. 162.

The years which followed provided Tokyo with a lesson which unfortunately was inevitably to be learned. The Far Eastern diplomacy which surrounded the Harriman scheme, the Hsinmintun-Fakumen Railway, the Chinchow-Aigun Railway, the schemes of the proposed Manchurian Bank, and the Knox Neutralization proposal, convinced Japan that her Manchurian interests were in jeopardy. She began to question whether the settlements, generally speaking moderate in character, which had been based on the Peking Convention of December, 1905, did provide a sufficiently strong guarantee of her special position in China. This situation prevailed in the Far East in 1914 when Japan was called to the assistance of her ally, Great Britain, in the World War. 165.

China demanded that the Japanese withdraw from the German railway between Tsingtao and Tsinan, the capital of Shantung. Japan refused to withdraw until the war was finished and the disposition of German rights settled by treaty. 166.

Group two, which concerned South Manchuria and Eastern Inner Mongolia, included the following demands:

The Japanese Government and the Chinese Government in view of the fact that the Chinese Government has always recognized the predominant position of Japan in South Manchuria and Eastern Mongolia, agree to the following articles:

Article 1. The two 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.

Article 2. The 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.

Article 3. The 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.

Article 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.

Article 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 in South Manchuria and Eastern Inner Mongolia, and (2) whenever a loan is to be made with any other power, under security of the taxes of South Manchuria and Eastern Inner Mongolia.

Article 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.

Article 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-three years dating from the signing of this treaty. 167.

Why should Japan not act when the other powers could not interfere. It was an argument which could be used with great effect for in the whole of the Twenty-One Demands Japan asked very little that other nations had not, at one time or another, received from China. This was in no sense a justification of Japan's action, but knowledge of it is essential if her motives are to be appreciated. 169.

After the presentation of Japan's ultimatum it became known that the British Government had been in communication with Tokyo in regard to any possible bearing of the Twenty-One Demands on the Anglo-Japanese Alliance, but in the view of Downing Street, no occasion for a protest had arisen in that connection. The Government believed that the Japanese ultimatum

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Temperate policy did not pay Japan

did not indicate that Tokyo's action was in violation of the Anglo-Japanese Alliance and in fact Sir Edward Grey's reply stated without reserve that no breach of the Anglo-Japanese Alliance had occurred. 176.

There was absolutely nothing in the Sino-Japanese treaties of 1915 to which the American Government had taken the slightest offense. Yet I am afraid it will be many years before American opinion recognizes these simple facts. 179.

It is a matter of common knowledge that the positions held by European Powers in China were the result of the force of great national fleets which opened the gates to trade, wrung from China concessions and leaseholds, and deprived her of all save the name of sovereignty and territorial integrity. Japan had first observed, and then participated in these events. It appeared to her national interest to do so. Yet it must not be forgotten that in her diplomatic dealings with China until 1915, Japan had pursued a policy which could neither be termed aggressive nor lacking in sympathy and understanding for the problems of her great but seemingly helpless neighbour. She had not merely complied scrupulously with her treaty obligations, but had accepted the policy of the "Open Door" and had made that policy her own in the Japanese sphere in South Manchuria. The credit for this record which was Japan's until 1915, must go in large part, if not in its entirety, to the sagacious counsels of the Genro, the Elder Statesmen, who, having actively participated in the making of modern Japan, now in the days of their retirement, advised the younger councils of administrators in the shaping of their country's program. 180.

Experience had provided its own lesson. Japan's temperate policy had produced very definite but very unsatisfactory results. Her own interests in China had advanced but slowly and were accompanied by inadequate guarantees. In an article contributed to the Shin Nippon or "New Japan," a magazine published in Tokyo, in the November number of 1914, Count Okuma, then prime minister, said the tendency of the day justified the assumption that in the not distant future a few strong nations would govern the remainder of the world, and that Japan must prepare herself to become one of these governing nations. 180/181.

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Outspoken criticism voiced in Japan at the government's drastic policy - (21 demands.)

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"Open Door" doctrine of 1899 & 1922. (also see page 7.)

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of Japan's demands, in some cases on the basis of compromise, and there seemed little reason to suppose that a settlement on all points could not be reached on a basis of negotiation. 181.

The only optimistic and satisfying influence that remained after the negotiations were completed and the treaties signed was the outspoken criticism voiced in Japan at the government's drastic policy. This criticism grew steadily in strength, and the fall of the Okuma Ministry in the following year has been ascribed generally to dissatisfaction with its Chinese policy. 182.

If every foreign right in China which had been founded on force, as were the Japanese Demands in 1915, were abolished, China would find herself free from most of her embarrassing treaty obligations. 183.

Addressing the Committee on the subject of article 4, Baron Shidehara stated in no uncertain language that the "Open Door" as defined in the Hughes Resolution was a far different doctrine from that initiated by John Hay in 1899, adding that while it was true that the "Open Door" was not a new invention, nevertheless:

it must be noted that the principle had undergone considerable changes in its application since it had originally been initiated by Secretary Hay in 1899. It was then limited in scope, both as concerning its subject matter and the area of Chinese territory to which it applied; it simply provided in substance, that none of the Powers having spheres of influence or leased territories in China should interfere with treaty ports or with vested rights or exercise any discrimination in the collection of customs duties or railroad or harbor charges. The principles formulated in the draft Resolution were of an entirely different scope from the policy of the Open Door as conceived in 1898-1899; the draft Resolution gave, in a certain sense, a new definition to that policy.

The issue raised by the statement of Baron Shidehara was a decidedly embarrassing one for the American delegates for they were immediately forced to take an entirely illogical position. 191.

Baron Shidehara objected to the application of a Board of Reference to concessions already existing, and Sir Robert Borden of Canada suggested that Article 4 be dropped altogether. As a result, the Hughes resolution was adopted.

without Article 4, for it appeared that the United States was prepared to agree with the view that the Conference could not interfere with interests that had already been acquired. 192.

Certain points stand out as distinctly new in the "Open Door" doctrine of 1922. Mr. Hughes was correct when he stated that it was a more definite and precise statement. He failed, however, to acknowledge a factor of importance. The acquisition of so-called spheres of influence is now incompatible with the "Open Door" doctrine. Theoretically the spheres of influence in China have ceased to exist, although so long as the interests of any Power predominate in a fixed region of China, and the Central Government pursues its present shallow policy, it is difficult to see how there can be any practical application of the theory. But with the signing of the "Open Door" Treaty of 1922 the Powers bound themselves by a document, the binding power of which cannot be questioned in international law, and what is more significant, China herself is bound by the same treaty to adhere to the new "Open Door" principle. In the original "Open Door" of course, China had no part. But granting this it does not follow that China is to reap exceptional benefits because of the obligation she now assumes, for to characterize in a sentence the new "Open Door" is to say that it is an efficient means by which the Powers can protect themselves and their interests in China. It is hardly necessary to add that the nations represented at Washington in 1921-1922 are not primarily concerned with protecting China. Destroy China's economic value to the outside world; make impossible the acquisition of vested rights, and special privileges there, and the solicitude of the nations for China's welfare will cease and such high sounding phrases as "sovereignty" and "territorial integrity" will be heard no more. 193/194.

Another Manchurian problem to which the Conference gave its attention, to be sure most ineffectively, was that of the Chinese Eastern Railway, which stretches across Northern Manchuria and connects the South Manchuria line with Harbin. Prior to the World War this railway was under Russian control but in 1919 an Interallied Commission was established to control the transportation system of Siberia and it still exercised supervisory powers over the Chinese Eastern Railway at the time of the Conference. 194.

The political turmoil which has surrounded the Chinese Eastern Railway since 1922 is sufficient proof that the actions of the Washington Conference on this subject were entirely inadequate. 196.

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Kiaochow Tsoan Railway

Railway from Kirin to Huijing

In how far the Four-Power Treaty, interpreted in its broadest aspects, will affect the entire Far Eastern question it is impossible to state. But there can be no doubt that it stands in marked contrast to the Anglo-Japanese Alliance. For under the new treaty there is no obligation to go to war. The Powers signatory to the treaty merely accept an obligation to "confer". 198

The Japanese Government consented, at the request of China, to induce Japanese bankers to loan the Peking Government funds for the construction of two railways in Shantung Province. At the time the loan was made Japan announced she would withdraw most of her troops along the Kiaochow-Tsinan Railway, that the railway would be worked as a joint Chino-Japanese enterprise and that the civil administration established by the Japanese in Shantung would be abolished.. China heartily assented to these proposals. Apparently the significance of these arrangements did not appear at the time but when China sought the restoration of the German rights in Shantung at the Versailles Peace Conference she discovered that the secret agreements of 1918 had greatly weakened her legal case, not merely regarding the Shantung but also regarding the Manchurian Treaty. 199/200.

China made the railway agreement of 1918 after she entered the war and clearly indicated thereby that the Treaty of 1915 was valid. Furthermore, Japan was supported in her claims at Paris by treaty agreements with the Allied Powers with the result that in the settlement Germany renounced in favour of Japan all her rights, titles, and privileges which she had acquired in Shantung in March, 1898. 200.

China, of course, was in urgent need of funds immediately upon her entry into the war. and during the ministry of Count Terauchi, 1916-1918, large sums were loaned to both the Central and Provincial Governments of China by Japanese bankers. 201.

A preliminary loan agreement for the construction of a railway from Kirin to Hueining through the southern part of Yenchí (Chientao) was concluded between China and the Industrial Bank of Japan on June 18, 1918. The agreement concluded on June 18, 1918, provided for the immediate advance of \$ 10,000,000 to the Chinese Government and this sum was paid into the Tokyo Office of the Sino-Japanese Exchange Bank on June 19th, to the credit of the Peking Government. 201.

Then on August 2, an agreement for a loan of 30,000,000 yen in Japanese gold was concluded for the development of gold mining and forestry in the Provinces of Heilungkiang and Kirin, both of which properties were pledged as security for the loan. Then on September 28th was concluded the preliminary agreement for a loan for the four railways of Manchuria and Mongolia already mentioned in this chapter. These agreements served to increase Japan's interests on the mainland of Asia and to strengthen her position there. And the development was natural enough. Financially China was in a hopeless condition. Furthermore, Japan for the first time had the funds available and could make what terms she desired, independent of competition of the European financiers. 202.

On October 8, 1918, the American State Department dispatched a note to the British, French, and Japanese Embassies at Washington enclosing a memorandum outlining the American plan for a new international group to render financial assistance to China. This new Consortium was to consist of representative financial institutions of Great Britain, France, Japan, and the United States. 202.

On July 30, 1919, the American Government protested to the Japanese Embassy at Washington against the views of the Japanese Groups in seeking to exclude Manchuria and Mongolia from the Consortium. This was followed by similar action on the part of the British Foreign Office on August 11, 1919. The British memorandum stated that "One of the fundamental objects of the American proposals as accepted by the British, Japanese, and French Governments, is to eliminate special claims in particular spheres of interest and to throw open the whole of China without reserve to the combined activities of an International Consortium. This object cannot be achieved unless all the parties to the scheme agree to sacrifice all claim to enjoy any industrial preference within the boundaries of any political sphere of influence. 203.

Thus while no specific clause was inserted in the agreement the Tokyo Government had the practical assurance of the remaining three powers that they would not countenance operations inimical to Japanese interests in Manchuria and Mongolia. In this manner, then, was Japan's position in Manchuria defined when the Washington Conference was called in August, 1921.

Read Sept 24/25. 1932.

CHINA, JAPAN, AND KOREA.

By J.O.P. Bland.

1921

It is also undeniable that, so long as China remains in her present state, she must be a source of danger to the peace of the world. 136.

The fundamental facts of the situation in Japan are: (1) That with a birth-rate of 32 per thousand, the population increases annually at the rate of about 750,000; (2) that, in the last ten years, the inhabitants of Japan proper (that is, excluding Korea and Formosa) have increased from 50,000,000 to 57,000,000, giving an average of 380 persons to the square mile; (3) that during this period, the area of land under cultivation has been increased by 5 per cent. and the rice production by 4 per cent., as against an increase of 12 per cent. in the number of mouths to feed; and (4) that so long as the present birth-rate is maintained, the nation must depend more and more upon imported food supplies. 137.

It is impossible to discuss any phase or feature of the Far Eastern problem with any educated Japanese, from the highest statesman to the youngest student, without realising how deeply the national mind is imbued with a bitter sense of the injustice of the white races. which deny the principle of "racial equality" in the Western World, while insisting upon the "open door" and "equal opportunity" in the East. The resentment felt upon the subject of racial discrimination, always widespread and bitter, has been greatly aggravated by Mr. Wilson's short-sighted handling of this question at Versailles. 143.

Experience in Korea and Manchuria has led the Japanese to perception of the fact that they are not a colonising race, in the sense that the Anglo-Saxons are. 147.

Unfortunately, however, it still remains true that Japan's foreign policy is not in the hands of her Foreign Minister, or, for that matter, in the hands of the Cabinet. 159.

Viscount Uchida knows that the Military Agreement of March 1918, in particular, has aroused something more than

partisan hostility in China, that all the best elements in the country resent and fear the dominating influence which Japan has thereby acquired over the corrupt politicians of the "Northern" party. 160.

Is the power of the Military Party really waning (as every one in Japan assures you it is), and will it be replaced by real Cabinet government in time to allow of satisfactory co-operation between the great commercial nations? I have discussed this question with leading men of all parties in Japan, from the Prime Minister downwards - with politicians, business men, and journalists - and everywhere I find them expressing the same opinion, namely, that the liberal and conciliatory policy proclaimed in the Government's public utterances will surely triumph over the Imperialist and aggressive policy of the Military Party, and that before long representative government will replace the domination of the Satsuma-Choshu Clans. 161.

~~There are signs to spare that the Military are not without honour in their own country.~~ One of the most significant of these straws on the political wind is the Asian Review, a journal of which the first number appeared with a great flourish of trumpets in February 1920. It is edited by Mr. Ryohei Uchida, the notorious "ronin" leader of the Black Dragon Society, and as a literary production calls for little notice. Mr. Ryohei Uchida and the Black Dragon Society have been too frequently employed by the military party as "agents provocateurs," and have rendered too many valuable services in that capacity to be lightly set aside. The fact has long been notorious that the Black Dragon Society and others (with the tacit approval of the Japanese Government) have for years been fomenting rebellion in the South, whilst the Japanese Government itself has been lending money to the North on the security of valuable concessions. The Foreign Minister's recent assurance, that it is the earnest wish of his Government to "facilitate the reconciliation of the North and the South" gains nothing in weight from the publication of his own name and those of most of his colleagues as supporters of a publicist who boasts that he has done his best to prevent that reconciliation. The Asian Review's first list of supporters included not only the Premier, the Minister for War, and most of the Cabinet, but practically all the permanent officials in the Foreign Office from Viscount Uchida downwards. All professed to regard Mr. Ryohei Uchida as a harmless fanatic, a "ronin" in political journalism, who must be allowed to let off steam, but whose influence was absolutely nil. 164/166.

Now the reader who has followed me thus far will remember that the rulers of Japan consider that the country's economic situation justifies their claim to expansion into the thinly-peopled regions to the north of the Great Wall, and that this claim is moreover warranted by the fact that Japan drove Russia from these regions at great cost of blood and treasure. I have suggested that no satisfactory settlement of the Far Eastern question is possible without some recognition of this claim, which no Japanese Government would dare to abandon. But inasmuch as the preservation of China's independence and the strict maintenance of the "open door" are the only objects of British policy - to say nothing of the other nations concerned - it is evident that the Powers behind the Consortium must refuse to recognise Japan's claims in this direction so long as there is any possibility of Manchuria and Mongolia being used as a base for further aggression upon China proper. But it remains for Japan to give assurances that the declared policy of the Government will henceforth be binding upon the Military Party, as well as upon its civil exponents. 167/168. ||

Close examination of the arguments put forth during the last few years by the diplomatic spokesmen of Japan (particularly by Marquis Saionji and Marquis Ishii) shows that, stripped of all verbiage, they amount to claiming a privileged position not only in Manchuria, but in China, on grounds of territorial propinquity, community of race etc. The truth of the matter, of course, is that Japan's national existence is going to depend more and more upon her being able to secure from China and her dependencies the supplies of steel, iron, and other raw materials which she needs for her industries. Like Great Britain, though in a lesser degree, she has to face the problem of feeding her surplus millions by the profits of those industries, under ever-increasing competition. 168/169.

Most Japanese, when cornered in argument, will confess that they did those things because, in 1915 and 1916, it seemed to them that Germany was not going to be decisively beaten, and that they were therefore justified in pegging out their new claims on the assumption of a stalemate between the exhausted European Powers. Cynical, if you like, and yet natural enough from the Oriental point of view. But from the same point of view it is only natural for Great Britain to insist upon a return in the direction of the status quo ante. 169.

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Post Offices in China
St. Britain 12
France 13
Japan 124
U.S.A. 1 (in Shanghai)

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Without attempting to suggest the scope and effect of such a new deal, I think it is evident that, to be of any real benefit to China, it should involve the complete abolition of all "spheres of influence," Shantung included. 169.

But in pursuance of the policy of the "Twenty-One Demands," Japan has arrogated to herself rights, powers, and special interests for which there can be no possible justification. It is not enough that at Peking her military and other agents swarm in such numbers as to convey the idea of a Protectorate; that her wireless service from the capital communicates directly with Japan, and that she has even introduced Imperial Japanese pillar-boxes and postmen in every district of the capital; all over China since 1915 her proceedings have been those of a creditor infringing on the rights of a defenceless debtor. 170.

A good understanding between the Powers must hereafter depend to a very great extent upon the class of agents that Japan employs in China and the orders upon which they proceed. 172.

I need not dwell on the violent anti-British Press campaign which broke out and swept through Japan, with scarcely a protesting voice, in 1916, when Germany's star appeared to be in the ascendant. 172.

They are liable to lose sight of the inherent vitality and cohesive value of the family system, on which the whole structure of Japan's society is based. 176.

While Japan took credit to herself for joining the Allies, not only was she never really in the war, but that she had made lucrative opportunities of her Allies' necessities, and developed her trade in shipping as fast as possible at their expense. 187.

A very alluring thing is the great Pan-Asian programme of the Militarists: an Empire of the East, greater than that of ancient Rome or modern England, over which the flag of the Rising Sun shall float in majesty unchallenged. It is Mouravieff's dream in a new guise; and yet not new, for the fighting Clans of Satsuma and Choshiu Clan, have long pursued the vision of Japan as overlord of Asia. The writings of one Yoshida Shoin, a leader of the Choshiu Clan, who died in 1859, proved clearly that the Military Party of that date had their plans all laid for the gradual annexation of Formosa,

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Woodrow Wilson responsible for the uprising of the Korean people.

Korea, Saghalien, Manchuria, and Eastern Siberia. These plans were then deferred, but by no means abandoned, because the Clan leaders of that day had sense enough to perceive the wisdom of the advice which Ito gave them, namely, that Japan should set herself to acquire the appliances and sciences of the West before attempting a policy of aggression. The Military Party of today can point with justifiable pride to the record of their achievements during the sixty years that have passed since Ito gave them that advice; they can also remind their countrymen that, as the result of two successful wars, a substantial portion of their programme has already been accomplished. 190.

I venture to believe that before long Japan will see fit to abandon the policy of military aggression and will concentrate all her efforts upon obtaining economic ascendancy in China. 191.

Mr. F.A. Mc.Kenzie's book, Korea's Fight for Freedom, confirms and amplifies the indictment which he brought against the Japanese Government in an earlier work (1908). 194. His indictment of the Japanese Government's harsh rule and policy of savage repression, supported by the detailed evidence of a cloud of witnesses, is not pleasant reading. It is a record of grievous tyranny, of wholesale arrests of political offenders and suspects, of floggings and severe tortures inflicted upon men, women, and children, of schoolboys and young girls shamefully beaten. Many of the charges of terrorism and cruelty which he brings against the Japanese administration in Korea have not only been substantiated by independent Japanese witnesses, but practically admitted by the Imperial Government at Tokyo. 195. Mr. Mc.Kenzie, amongst others, holds that, unless Japanese Liberalism and a policy of peaceful expansion can abolish the Militarists and their methods once and for all (of which there is as yet no sign), Japan's harsh rule in Korea, and her policy of aggression in China, will continue, and "eventually produce a titanic conflict, of which none can foresee the end." 196.

^{The cause & claims of common humanity & the cause of Korean political independence are}
^{2 separate & distinct questions} "If any outsider was responsible for the uprisings of the Korean people," Mr. Mc.Kenzie declares, "that outsider was Woodrow Wilson, President of the United States." The grievous fate which swiftly overtook the unsophisticated people who hearkened to that clarion call, the bitter disappointment that awaited their young delegates and leaders, first in America and then at Versailles, should surely suffice to prevent even those who sympathise most profoundly with the Korean people

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from incurring this kind of responsibility. 196.

For the last fifty years, Korea has been (to use Mr. Churchill's phrase) the lynch-pin of Japanese policy, the key-land of north-eastern Asia. If Japan had not defeated China in 1895, Korea would still be that country's humble and misgoverned vassal. Had Japan not fought Russia in 1904, the peninsula must then have passed into the possession of the Slav. And even the sincerest of Korean patriots can hardly overlook the fact that Japanese ascendancy was materially assisted from 1905 onwards by the Il Chin Hoi and other pro-Japanese groups of native politicians. 198.

Dr. Midzuno pointed out that, from 1894 to 1904, when Korea was an independent kingdom. the country demonstrated its incapacity for self-government, foreigners being the first to recognise the truth that no man's life or property was safe from the rapacity of the Court party and their myrmidons. 199.

I believe that the Japanese authorities have now been led to perceive that the policy of forcible assimilation has been, and must continue to be, a failure, because it merely tends to evoke a strong spirit of nationalism among the Koreans and to increase their hatred of their new rulers. The Japanese Government has discovered, as the independent investigator sent from Tokyo by the Constitutional Party reported, that "it is a great mistake of Colonial policy to attempt to enforce upon the Koreans, with their two thousand years of history. the same spiritual and mental training as that of the Japanese people." 200.

We may as well face the fact that, so long as the European and American nations are not prepared to confine their activities within the limits of their own geographical frontiers, it is futile to expect Japan to withdraw from Korea. *unless compelled to by force* Russia, Germany. and France invoked that argument in 1895, when Japan was compelled to hand back the Liaotung peninsula to China, so that it might be laid open to Russia's "peaceful penetration"; and Japan has not forgotten that object lesson of Europe's benevolent sympathy for the oppressed. 203.

There are, no doubt, insuperable barriers of creed and colour between East and West, permanent causes of jealousy and distrust between Anglo-Saxons and Japanese, born of trade rivalry and racial ambitions. but they are mild in their effects when compared with the antagonism which the events of the past ten years have created between the Chinese and their cousins of the land of the Rising Sun. 210.

* *Ql. Britain ruling India & making ready to establish a thinly veiled protectorate over Persia. France holding large provinces of what was once China; the United States steadily expanding for the protection of its position at Panama over all the small states of the Caribbean seaboard. Upon what moral grounds can any of these Powers approach Japan & ask her in the name of humanity and civilization to hand back her*

And just as most Americans fail to realise the inexorable necessity which compels Japan to seek expansion overseas, so the average Japanese fails to recognise the insuperable force of the self-preserving instinct, which leads the white races to refuse to grant rights of citizenship and unfettered competition to Asiatics - to sign, in fact, their own death warrant. 211.

The opinion is strongly held, and freely expressed in high official circles at Peking, that the best solution of China's political difficulties would be for the Imperial Clan to consent to His Majesty's marriage with the daughter of President Hsu. The underlying idea is, that if this were done, and the exclusive Houselaws of the Manchu dynasty thus abrogated by the marriage of the Emperor to a Chinese lady, the anti-dynastic movement in the South must lose such moral force as it now claims and the way be prepared for the re-establishment of the Monarchy Constitutional, limited, and shorn of all the exclusive Manchu privileges. 298.

I have spoken of the optimist *de metier*. I know of no more striking example of the pernicious nonsense with which Young China has been fed and misled, than "the semi-official statement of China's case to the world," published by Mr. Putnam Weale in 1918, under the title "The Fight for the Republic in China." Again, whilst lawlessness stalked red-handed through the plundered land, and proofs multiplied on every hand that the so-called democracy had become more flagrantly venal than ever before, he descried the dawn of a new era, in which the world would "welcome China to the family of nations, not only on terms of equality, but as a representative of Liberalism and a subscriber to all those sanctions on which the civilisation of peace rests." He predicted that "within a limited period, Parliamentary Government would be more successful in China than in some European countries," and "something very similar to the Anglo-Saxon theory of Government impregnably entrenched in Peking." In his opinion, "the marvellous revolution of 1911 had given back to this ancient race its old position of leader of ideas on the shores of the Yellow Sea." Finally, he expressed the confident belief, "based on a knowledge of all the facts," that China would shortly achieve "a united Government and a cessation of internecine strife." "The new China," he declared, "is a matter of life and death to the people, and the first business of the foreigner is to uphold the new beliefs." 11.

Mr. Weale's book was written before the world had

witnessed Russia's appalling demonstration of the truth that when a nation unfitted for representative government is cast into the melting-pot of "red" revolution, an unprofitable scum rises to the top, and that the consequences for the man in the street are very different from those predicted by the Intellectual harbingers of the millennium. The world has witnessed the disillusion of the honest dreamers who believed that the Russian nation and its government would be purged of evil by the abolition of the autocracy; if China's affairs were not beyond its normal ken, it would know that here also, as in Russia, the patriotic Intellectuals have been put to silence and shame by the professional agitator and the place-seeker. 12.

In the meantime, while the politicians fight for place and power, what of the destinies of the common people, in whose name and for whose alleged benefit the contending factions appeal to the world at large? The sorrows and sufferings to which the "stupid people" have been exposed during the past ten years are very seldom mentioned by the apologists of misrule, and the Chinese Parliamentarians are more concerned in discussing the forms and proceedings of their embryo Constitution than in relieving the miseries of provinces decimated by brigandage and famine. When millions are silently dying of famine in North China, we hear more of Sun Yat-sen's latest political manifestoes than of measures for the prevention of these catastrophes. 13/14.

The Editor of the North China Herald, July 1920, said that "Whoever triumphs, the result of the present upheaval will doubtless be to keep the yoke of militarism as firmly as ever on the neck of the people of China. As Europe has learned to its sorrow, it is possible to win the war and lose the peace, so China is beginning to understand that that blessed word democracy does not mean peace, and that prosperity and order are not necessary corollaries of a successful revolution and a republican form of government. The fact is, the form of government is of much less importance than the character of the men who administer it." 17.

China's problem is essentially and eternally a food problem, which until now the nation has solved, tragically enough, within its own borders. To encourage her to solve it henceforth by industrial competition with the white race, is very typical of the political idealism of a country which nevertheless protects itself rigorously against Asiatic immigration. 20.

Dr. Reinsch, ex-minister to China, said that "Dr. Sun stood out as the representative of the Chinese ideal, true to her inner traditions and the ideals Americans believed in." 21.

It would be difficult, I think, to quote a more striking example of the hypnotic influence of catchwords and preconceived ideas, and of the force of delusions in which the wish is ever father to the thought. Dr. Reinsch, having had occasion to study the Chinese situation on the spot for several years, can scarcely plead ignorance of the facts of Dr. Sun Yat-sen's career, of his long and intimate connection with "Japanese militarists" and financiers; of his acceptance of highly-paid office under Yuan Shih-k'ai, against whom he subsequently conspired; of his incessant plots and intrigues against the Central Government, no matter how constituted; of his failure, during all these years, to originate one single measure of constructive reorganisation. Dr. Reinsch must be aware that, in the opinion of foreigners in China, Dr. Sun has for some years been regarded as a very mischievous agitator, and that even in the Chinese Press he figures more often as a laughing-stock than as a Liberal. But Dr. Reinsch and his friends prefer to shut their eyes to all these things. They remember only that Dr. Sun is, intellectually speaking, the offspring of American ideals, that he has proclaimed a Republic, professed Christianity, and preached the pure doctrine of American democracy. 21/22.

The ills that flesh is heir to in China, the chronic destitution, diseases, and discontents endured by vast numbers of the population, are directly due to the social system and religious beliefs, which make procreative recklessness a duty; these are evils which cannot possibly be removed, or even remedied, by any change in the form of government or political institutions of the nation.

While the inevitable development of China's mines, railways, and other sources of latent wealth by modern industrial methods is likely to diminish the normal severity of economic pressure for a time, by enabling her to increase her food supply from abroad, the immediate result will be an increase of her population up to the new limits of the means of subsistence; and this increase can only be achieved at the cost of increased economic pressure in countries where labour enjoys a higher standard of living. Europe and America will then be compelled to protect themselves against the products of Chinese industrial-

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China by declaring war on Germany relieved herself of indemnity & loans interest payments representing a sum of \$6000 a day.

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ism in the same way, and for the same reason, that they now | protect themselves against Asiatic immigration.

So long as the present Chinese social system endures, the only means by which the ever-latent elements of disorder can be held in check is a strong Central Government, organised and administered upon principles which the masses understand and to which they always have been accustomed; that is to say, principles of paternal despotism, applied in accordance with the spirit and traditions of the race. 27.

The rapidly increasing financial and administrative difficulties which now confront the Chinese Government, as the result of ten years of civil strife and official corruption, can only be overcome, and the nation's recuperative powers encouraged, by concerted action of the Powers, directed, in the first instance, to the disarmament and disbandment of the rabble armies, which prey upon every form of productive industry, and thereafter to the moral and material support of the Central Government, however constituted. When no more money is forthcoming for the maintenance of these armed hordes (and that day is close at hand) a crisis will occur; and to escape from their wrath, the mandarins will probably endeavour, as usual, to divert unpleasant attention from themselves by the instigation of an anti-foreign movement. When this crisis has passed, a period of reconstruction, with foreign supervision over China's finances, must of necessity be imposed. 28.

On February 28, the Allied Ministers at Peking presented a memorandum to the Chinese Government expressing sympathy with its action in regard to Germany and promising, in the event of diplomatic relations being severed, to consider favourably the suspension of the Boxer indemnity payments and a revision of the Chinese Customs tariff. 54.

All parties recognised quite clearly the moral and material advantages which the Chinese Government might expect to gain by declaring war on the Central Powers (the abolition of indemnity and loan interest payments to Germany alone represented a sum of £6000 a day), but the Opposition, headed by the Kuo-Mintang, was not disposed to see those advantages secured by Tuan Chi-jui and the Military Governors without a struggle. 56.

Coincident with the elimination of Germany, chief mischief-maker, China had an opportunity, such as she had never enjoyed before, for working out her own salvation.

She had a fair field and much favour; a splendid and unexpected opportunity for proving to the world, without let or hindrance, Young China's capacity for efficient self-determination and patriotic effort. But this opportunity has been lost, frittered away in futile strife, consumed by the greed and inefficiency of politicians of all professions, old and new. 67.

Unless a way can be found to make the provinces sink their differences and unite in patriotic support of a centralised government, nothing but international control of the country's finances can save China from bankruptcy and disruption. 69.

Now, the men who are chiefly responsible for this state of affairs (which, in greater or less degree, now prevails throughout China) are the professional politicians who came to the front at the time of the revolution - the men whose message, proclaimed to the ends of the earth, declared that, when once the Republic was established, a new era of peace and progress would dawn and China take her rightful place among the great nations. 73.

Men of the class of C. T. Wang and Wellington Koo are perfectly aware of the fact that such Government as exists in China today is conducted not on militarist, but on purely mercenary principles. They know that those who administer the Government at Peking and in the provinces are merely groups of predatory officials, true to type in the matter of "squeeze," but far more rapacious than of old, because of the absence of the restraining authority of the Throne. 74.

Left to itself, the country does not possess sufficient elements of constructive statesmanship to put an end to the chaos and corruption now prevailing. 75. One of the most marked characteristics of the Chinese is their extraordinary readiness to submit to intimidation by their own countrymen. It is a characteristic which, in the case of Peking's officials, has been intensified by the elimination of the Throne as a rallying-point for authority, and also by their natural anxiety, as rich men, to incur no avoidable risks, in a world full of perils of change. 76.

Amongst missionaries there are many enthusiasts whose opinion is entitled to respect because of that sincerity; but those who have studied the student movement closely, know that most of its political activities are instigated and guided by the professional politician. 79.

It still remains emphatically true, that ninety per cent. of the masses. in whose name Young China professes to speak

She had a fair field and much favour; a splendid and unexpected opportunity for proving to the world, without let or hindrance, Young China's capacity for efficient self-determination and patriotic effort. But this opportunity has been lost, flung away in futile strife, consumed by the greed and inefficiency of politicians of all professions, old and new. 67.

Unless a way can be found to make the provinces sink their differences and unite in patriotic support of a centralised government, nothing but international control of the country's finances can save China from bankruptcy and disruption. 68.

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*The government of Peking has become a
dependency of Tokio.*

are illiterate; equally true, that they care nothing whether their rulers call themselves Emperors or Presidents, so long as they rule in accordance with the nation's time-honoured traditions. All they ask, these patient, toiling millions, is a Government that shall so order things that a man may enjoy the fruits of his labour in peace; 81.

By no process of exhortation can the mandarin's incorrigible greed of gain be eradicated; its motive force lies deep in the unrecorded ages of the past. Looking at things in this light, we may understand why the bribery and corruption of the official class in China arouse no more indignation under the Republic than they did under the Manchus. And finally, one has only to realise how irresistible a temptation besets the mandarin, whether old or new, in the big-scale proposals of foreign financiers and concession-seekers, to perceive the root cause of China's financial chaos and the imperative need of thorough reorganisation under reliable foreign supervision. 83.

And never has there been a race more worthily deserving of protection at the hands of humanity. For, say what you will, that very passive philosophy which exposes China to the rapacity of earth-hungry Powers, approaches more nearly to the essential principles of Christianity, as laid down in the Sermon on the Mount, than the every-day practice of most Christian nations. Here you have a people in very truth "too proud to fight," because they not only profess, but firmly believe, that, in the long run, reason and justice must triumph over force. 84.

It has been estimated that, during the past eight years, the twenty-two Tutchuns and the metropolitan officials between them have squeezed enough money to pay off four-fifths of China's National Debt; a good deal of this money has been "squeezed" from foreign loans and concession contracts. 94

The Chinese Leader Tong Shao-yi when interviewed said:

~~On the other hand,~~ There will be no real peace until the people in power at Peking put an end to the Military Agreement with Japan, and to all the other secret agreements of the last five years. Every one of the 'eight demands' which the Southern delegates have put forward, and which Peking declines to discuss, arises, directly or indirectly, from the fact that the Government at Peking has become nothing more nor less than a dependency of Tokyo. Even the Shantung question is of trifling importance as compared to this fact." 100.

There is no doubt that at this time the South - or, to describe more accurately the opponents of the Peking Government, the "Outs" - had a good rallying cry and a powerful appeal to all patriotic sentiments in the country when they demanded "the abolition of the Military Agreement with Japan, and of the War Participation Loan, together with the punishment of the Chinese who signed them." Tang Shao-yi emphasised the fact that, when the agreement was made in 1918, it was declared to be for common action by China and Japan and for purposes of mutual defence against German and Bolshevik attack, and especially for the protection of the Eastern-Siberian railway. Furthermore, that it was to terminate automatically at the same time as Allied intervention in Siberia. On the face of it, when the Allies withdrew, the agreement should have lapsed. The full details of the agreement itself have never been disclosed, but Tang Shao-yi and his friends claimed to know that letters were exchanged at Peking on the 10th of February and the 1st of March, 1919, by virtue of which the agreement remains in force for an indefinite period. 100/101.

The fact that no body of politicians at Peking carries any weight whatsoever outside the metropolis, is gradually producing a vague movement in favour of provincial autonomy and the creation of a Central Government entrusted only with international and inter-provincial relations; but its advocates can offer no convincing arguments to justify the hope that such a solution would put an end to interprovincial strife. 109.

The Army, when centralised, should not exceed 250,000 men, enough to provide, say, a brigade for each province, with a mobile force of four or five picked divisions at Peking to be available for the suppression of disorder at any given point. 117.

It is important to remember that insistence upon the vital condition of a "proper and efficient audit" of official accounts, wherever foreign loans are involved, need not in any way conflict with the maintenance of China's sovereignty, unimpaired and unthreatened. It merely means the extension of a system which, with China's consent, and to her infinite advantage, has already been in force for seventy years. Had it not been for the revenues honestly collected and regularly remitted to the Central Government by the Imperial Maritime Customs since the days of the Taiping rebellion, China would long since have been faced with bankruptcy and all that it entails. But the Customs service has never been an imperium in imperio, or anything other than a loyal branch of the Chinese public service. 129.

The same principle has been applied in the case of the Imperial railways of North China, a lucrative source of revenue to the Chinese Government. 130.

China's sources of national revenue are, I repeat, quite sufficient for the needs of government; all that is required is to protect their output from the hands of predatory officials and to restore the fiscal arrangements destroyed by the revolution. 131.

And all the while, in the background, silent, inscrutable, but ever vigilant, are the expert advisers of Dai Nippon, some four hundred Japanese military officers, attached to China's Northern armies in fulfilment of the secret pact of 1918. 132.

Nor is it possible for Japan to become an honest partner in the Consortium so long as the terms of her secret Military Agreements remain in force and undisclosed. The exclusion of Japan's special interests in Manchuria and Mongolia from the scope of the Consortium's operations was a matter of secondary importance as compared with the effect of this Military Agreement. Not only does it paralyse the sovereignty of China at its source, but it precludes all hope of ever restoring the unity of the country. 133.

The 4-Power Financial Consortium initiated by The United States made disbandment under foreign supervision one of the conditions of new loans. The Chinese Govt. professes to desire this disbandment, but it will not consent to the necessary effective supervision except under firm pressure. It will try its best to "save its face" & preserve its own opportunities of "squeeze" as well as those of the Tichuns.

(Pay and arrears & transportation home, if necessary, be given to each soldier after he has handed over his rifle ammunition and equipment.)

No funds for their employment on public works to be provided; it would be merely a means of obtaining a little more ready money. P. 117-120.

V11 V111 IX 2. 3. 4. 6. 13.

1842 & 1844 Treaties. 19.

1685 (An important date) 38.

Imperial decree of 1729 denouncing opium. 43.

Opium prohibition first taken seriously in Canton in 1800. 45.

East Indian Government abandon trade, yet 42 years later British Government started a war with China because of the seizure and destruction of British opium outside Canton and then under force ~~majure~~ continued to patronise the British sale of opium in China as a legitimate article of consumption down to the year 1917. 45.

China's periods of morose exclusiveness have, throughout her history, coincided with her periods of maladministration
59.

In her epochs of real power and greatness, not only have her markets been wider open to outsiders, but her own traders have ventured abroad over endlessly long trails. 60.

It is just as obvious from a study of China's history as from that of any other people that the craving for isolation is never anything but a confession of weakness of incapacity to deal with the results of bad government etc. 60/61.

Struggle after 1685 and for the next century was a life and death conflict between legitimate commerce and the rapacious tax-collector. 63.

Embassy sent to Peking in 1793 and again in 1816. 77 & 83.

Admiral Sir F. Maitland arrives in China with instruction "to afford protection to British interests." 93.

First treaty signed on British gunboat in 1842. 102.

The island of Hongkong a sanctuary. 104.

The most favoured nation clause. 104, 105, 116, 120.

Palmerston sticks up for "a footing of perfect equality". 106.

Fixed tariffs on trade instead of erratic and arbitrary impositions demanded; also system of jurisdiction which would safeguard the persons and property of foreigners. 107.

The respect for China's prohibition of opium import both before and after the "Opium War" was almost precisely equivalent to the respect now paid America's prohibition of alcohol by Canada, Mexico and the European nations. 109.

Britain's discouragement of opium traffic. 110/112.

Treaty of 1846 laid the foundation of equal relations. 117

American treaty of 1844. This treaty introduced and defined extra-territoriality. 121.

American treaty became the model for the French Belgian and Swedish treaties and 16 years later for the greater part of the revised British treaty of 1858/60. 130.

Nearly every tradition or institution governing China's foreign relations against which nationalists now declaim when they denounce the "unequal treaties" is provided for in these pioneer agreements. 133.

Primary purpose of treaties was to break down assumption of superiority which denied to the foreigner the rights of the humblest Chinese. 133.

Secondary purpose to make foreigners less subject to the whims of a corrupt badly controlled and far from patriotic Chinese officialdom. 133.

Non-Chinese states were as unequal to China by the very nature of things as puddles are inferior to oceans. 135.

British and French fight their way to Peking, 1857. Lord Elgin firm. Treaty eventually ratified in Peking in 1860. Americans and Russians were onlookers, but relied on the most favoured nation clauses to get them whatever they wanted. 149/153.

French again went much further in support of mission work. 155.

1894

Sino-Japanese War. China begged for joint foreign intervention, but America refused flatly. 160.

- 1895/1900 Dash to stake claims in China. 162.
- Peace treaty 1895.
Commercial treaty July 1896.
Protocol November 1896.
Japan's first treaty of 1871 had been a poor affair. 163.
- 1843 Port of Shanghai declared open to British trade and
residence. 165.
- American occupation of Hongkew. 167.
- Not the slightest Chinese or popular opposition to
land settlements on waste land. 168.
- Half million Chinese refugees crept into the sanctuary
of foreign territory and had to be protected, policed
and often partially fed. 172.
- 1863 American and British settlements thrown into one and
became the International Settlement. 173.
- Last group of treaties that served to extend or define
foreign rights in China includes the Boxer Protocol
of 1901 and the British American and Japanese treaties
of 1902-3 which were simply annexes to the Protocol. 178.
- 1898 America gets Britain support in her campaign for the
"open door" (John Hay's doctrine); to this the other
Powers gave a grudging consent. 179.
- Terms of Boxer Protocol were more than justified, and
should have been ~~keener~~. Commercial treaty signed
at Shanghai 1902, known as the Mackay treaty. 184.
- Great Britain promised to give up her extra-territorial
rights when the judicial system and attendant con-
ditions had been satisfactorily reformed and agreed
to a tariff revision every ten years. 187.
- 1905 Korea's independence was recognised after the Sino-
Japanese War. 202.
- 1910 Korea annexed by Japan. 202.
- Administrators like Sir Robert Hart have gained for
China a reputation for efficiency. 195.

Every institution in China above a 16th century European standard was founded and put in working order by such men. 195. They have served pro-Chinese publicists for several generations as advertisements of China's awakening and kept alive her borrowing power. 196.

OURSELVES AND JAPAN

Sunday Times, 18.9.32.

MOMENTOUS decisions affecting policy in the Far East will have to be taken in the near future. For months and months the situation created by Japan's unlawful behaviour in Manchuria has been allowed to drag on, but when the Lytton Report is published and China's appeal to the signatories of the Nine-Power Treaty has to be met, the Powers will be forced to declare their hands. Every act of delay by the British and other Governments has so far been interpreted by Tokyo as a sign of weakness, with the result that Japanese statesmen have been able to carry out their set plans for Japanese domination of Manchurian territory.

What is to be the British attitude to this difficult situation? No doubt Japan has had considerable and prolonged provocation; no doubt, also, she has legitimate need of expansion and is driven to seek an economic outlet for her population. But she has sought a solution of her problems in deliberate defiance of international law and her own specific undertakings, and her actions constitute not only a rebuff to the moral conscience of the world but also a grave menace on economic and military grounds.

There is a case for avoiding immediate trouble and leaving Japan to reap the whirlwind. Economically she is at the present time in a far from strong position, and in her Manchurian adventure she has probably bitten off a good deal more than she can chew with benefit to her digestion. But the risks to this country of following such a negative policy are immense and growing every day more evident. If some effective action is not taken the chances of disarmament will become more and more slender; moreover, the United States is looking to Britain for a positive policy, and if it is not forthcoming the risks of a misunderstanding between the two nations will immensely weaken the hopes of a debt agreement—which failure to disarm will already have embarrassed.

Notes of the

Manchuria Day, 19.9.32

ON September 19, 1931 (a year ago to-day), the world learned, at first with incredulity and then with grave consternation, of the coup d'état brought off a few hours before by Japanese troops at Mukden and elsewhere in Manchuria.

On September 28, 1931, the Japanese delegate, Mr. Yoshizawa, declared that Japan's intention was to withdraw her troops from the territory they had occupied as soon as the safety of Japanese life and property was assured and that the withdrawal was already far advanced.

September 19, 1932, finds Japan established in complete control of all Manchuria, with full freedom to station her troops where she chooses throughout the province, instead of merely along the line of the Southern Manchuria Railway.

LORD LYTTON'S 400-PAGE REPORT

22.9.32. Evening Standard. GENEVA, Thursday. The Lytton report on Manchuria was delivered to the League of Nations headquarters to-day. It consists of 400 typewritten pages. It is in English, and it is expected that ten days will elapse before it has been translated into French and printed.—Exchange.

Articles 15 and 16 of the Covenant
Extracts which bear on the Manchurian Question.

Note:- China has demanded that the question should be referred to the Assembly, instead of to the Council. If one of the disputants does this, all the provisions of the Article apply to the Assembly as much as to the Council. For this reason, the word Assembly has been used in what follows.

Article 15 (3) "The Assembly shall endeavour to effect a settlement of the dispute: x x"

They will no doubt try to do this, but are not likely to succeed.

Art. 15 (4) "If the dispute is not thus settled, the Assembly either unanimously or by a majority vote shall make and publish x x x the recommendations which are deemed just and proper in regard thereto."

Art. 15 (7) "If the Assembly fails to reach a report which is unanimously agreed to (exclusive of disputants) the Members x x reserve to themselves the right to take such action as they shall consider necessary for the maintenance of right and justice."

X From this it appears that the Assembly cannot pass a Resolution giving effect to the recommendations they have published unless their report is agreed to unanimously. It is not likely to be unanimous, and each nation will therefore have to make up its own mind as to what is "just and proper" and decide what action (if any) it is to take.

If this is a correct interpretation of the Covenant, the Assembly, in this case, will strictly speaking not be able to pass any Resolution at all, not even to adopt a "formula".

+ It is possible that unanimity might be secured for a "formula" intended to "save face" for the League. But if it contains recommendations including any pressure on Japan, Japan will not comply with it.

Article 16 (1) "Should any Member of the League resort to war in disregard of its covenants under Articles 12~~5~~
~~13~~ 13 or 15, (I believe we are only concerned with 15), it shall be deemed to have committed an act of war against all other Members of the League, which hereby under take x x (then follow the well-known sanctions)".

"Resort to war" is somewhat vague, and we must wait to hear what interpretation the Lytton report gives to it. Japan will no doubt stoutly deny having "resorted to war", and the discussion on the report will hinge on this.

Article 5 lays down that "except where otherwise expressly provided in this Covenant x x decisions at any meeting of the Assembly shall require the agreement of all the Members" Article 16 is not one of the exceptions, and decisions taken about it must therefore be unanimous (presumably exclusive of disputants). It is highly improbable that all Members (Great Britain, for example) will wish to apply the sanctions in which case no action can be taken under Article 16.

The Pact of Paris is another story. It may be held to be an "international engagement" referred to in Articles ¹⁸~~20~~ and 21 (23 is for humanitarian questions only), and it is not known if it is within the scope of the Lytton Commission's instructions. The discussion and decision (if any) on Item 4 of the Sept. Agenda may make a difference (Amendment of the Covenant to bring it into harmony with the Pact of Paris.)

The net result is likely to be a warning to Japan, but if definite action is taken, it is possible that public opinion may think that this is in the direction of war instead of peace, and that the League is exceeding its proper function and may do itself actual harm.

Sept. 18th 1932.

At G.

Notes of the New Chronicle Day 15.9.32

THE Emperor of Japan has formally given his consent to the Manchukuo Protocol, the document which gives effect to the conquest of Manchuria and transforms that vast region into a puppet State, an appendage of Japan. Japanese public opinion, so far as it is allowed to express itself, is joyously enthusiastic.

* * *

THE Nanking Government will utter its protest and again invoke the aid of the League of Nations. But the fact is established, and the position from the point of view of international morality could not be worse.

The best that can be said for British policy, as expounded by Sir John Simon in this deplorable Rake's Progress, is that it was believed necessary to avoid a break with Japan at all costs, including even the abandonment of the Covenant, in the hope that when the Lytton Report came in it would make possible a settlement by agreement.

The fatal error of this policy, as a shrewd Continental diplomat pointed out to me earlier in the week, has been that the incurable abjectness of the British Government has encouraged Japanese militarism to go from strength to strength until now the Japanese proclaim, defiantly, that so far as they are concerned, the League and America and the Lytton Report can all go to a hotter place than Jericho.

* * *

FROM now onward public opinion should be roused to the magnitude of the issue at stake. It must be realised that so long as Japan's imperialism is not defeated there will be no effective disarmament but, on the contrary, increasing preparation for war and a widespread belief in the inevitability of war between the United States and Japan.

The failure of disarmament and the surrender of the League to Japanese imperialism must create an atmosphere in which it will be almost impossible to vanquish or modify economic nationalism, which is an essential condition of recovery from the world economic crisis.

* * *

THE settlement of the Far Eastern conflict is therefore of the first importance. Apparently it can no longer be accomplished by mediation and conciliation. The task is to help Chinese nationalism to defeat Japanese imperialism. Whether we help it or not, I believe Chinese nationalism must in the end prevail. If it is deserted by the West and wins single-handed (that is to say, bankrupts Japan by the boycott and by guerilla warfare, just as Chinese resistance made the Japanese occupation of Shantung impossible and just as the Russians forced the Japanese out of Eastern Siberia), then Chinese nationalism may become as ugly as Japanese imperialism is to-day.

* * *

I HAVE it on good authority that the British have been told face to face by Chinese statesmen that if Britain continues to do nothing she will be kicked out of the Far East by whichever side comes out on top. Quite apart from the desirability, in the cause of European security and American friendship, of not yielding to Japan, it would be sheer folly not to consider our capacity to do business in the future as a Great Power in the East.

* * *

ONCE we made up our minds to act, I do not think it would be nearly as difficult as some people represent to organise effective pressure by peaceful means. Japan is already in such an appalling financial and economic position, and so crushing is the burden of maintaining 80,000 troops in Manchuria, fighting continuously in all directions, that Japanese public opinion would be staggered by the condemnation of the civilised world and by the complete isolation to which the country would be subjected.

* * *

IT is inconceivable to me that Japan should be allowed to defy the League and simply walk out. Legally under the Covenant she cannot cease to be bound by the obligations of membership so long as her international obligations are not fulfilled. To maintain a spineless passivity in the face of Japan's withdrawal would be tantamount to surrender, to the repudiation of our own responsibilities under the Covenant and to a miserable betrayal of the League's authority.

A. J. CUMMINGS.

Extract from League of Nations Union Memorandum. December 1931.

1842 After the Anglo-Chinese War (1840-1842) Hongkong was ceded to Britain, and Shanghai and other Chinese ports were thrown open to British and international trade.

1859/1860 China in difficulties with the British and French and torn by the Taipang Rebellion.

1860 The province of Primorsk was ceded to Russia on condition that she was prepared to intervene on China's behalf.

1868 Japan becomes westernised. An imperial rescript proclaimed that "intercourse with foreign countries shall in future be carried on in accordance with the public law of the whole world."
The setting up of parliamentary institutions abolished the power of the Shogun (its powers were taken away in 1867). But the army was still in the control of men in direct descent from the Shogunati.

1894 Rebellion in Korea.
Chino-Japanese War.

1897 Kaiser snatched Kiaochow, but no protest was made by Russia.

1898 Chino-Russian treaty and lease of Liaotung Peninsula.

1900 Boxer rising. Russia takes action as well as other powers.

1902 Anglo-Japanese Alliance.

1907 Manchuria put on same basis of civil government as the remainder of China.

x
1915 A treaty was concluded between Japan and China after Japan had put forward 21 demands. By this treaty a sum of £8½ million was loaned to China.
A copy of this treaty was submitted to both the United States and Britain governments. Neither Wilson nor Grey had raised objections. Grey in fact, had made it plain in the House of Commons that Britain had no

x Revolution of 1912.

(objection to the expansion of Japanese interests. Moreover, Grey had previous to this, when China had contracted with a British firm to build a railway in competition to the Southern Manchuria railway, opposed it on the grounds that it was interfering with the legitimate treaty right of Japan. (See Hansard).

1921/1922

Washington Conference. At this conference the Chinese delegate brought up the question of the validity of the 21 demands. Yet Manchuria had declared her independence of China at this time. Manchuria was content and extremely well governed during the earlier days of Marshal Chang's regime. ~~But~~ Chang was an ex-brigand and knew how to deal with bandits. But his son Chang Hsush Liang who succeeded him was a complete failure. When Chang Hsush Liang tried to whittle away the rights of Russia, Russia objected.

1929

In 1929 the Russians undertook a campaign against Chang Hsush Liang with complete success.

LYNDHURST

STYLCROFT ROAD

HALFONTS GILES

BUCKS

8th. September, /32.

Dear Pelham-Burn,

I enclose the article of which we were talking this morning. As I told you, it was written in Nov. or Dec. last year.

A friend sent a copy to Sir Eric Drummond.

The L.of N. Union actually produced this copy. When it was proposed by General Sir Hugh Jeudwine, at a meeting of the Executive Committee, that it should be circulated, the proposal was negatived. In the course of the discussion, one brilliant sportsman was of the opinion that it was not the business of the L.of N. U. to know the history of the case, nor the rights or wrongs, their job was to stop fighting!

I do not know who it was, the person responsible for this Confucian remark.

However, for some reason unknown to me they published it after all.

I hear that the General's telephone is out of order! He will be annoyed, as I understood that he wanted to use it particularly to-night.

Yours very sincerely,

J. E. Stewart.

P.S. Thanks for pamphlet.

Have you noticed that the Japanese Statement in the Times

13-day paper the Lytton Record
recommends exactly what
I did in "Humanity's Task".

Monday's "M.P." will very
likely have a leader on it.

J.S.

Colonel J. E. Stewart D.S.O., M.C., was for a
long time military adviser to Chang Tso-Lin, the former
war-lord of the North-Eastern Provinces.

The following articles are written by him:

HUMANITY'S TASK IN CHINA.

(Morning Post. March 16 and 17, 1932.)

THE SCOURGE OF CHINA.

(5 million armed men: 30 million homeless and starving.)
(Morning Post. April 12, 1932.)

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1896-

China's secret treaty with Russia

HUMANITY'S TASK IN CHINA.
(Morning Post. March 16 and 17, 1932.)

THE SCOURGE OF CHINA.
(2 million armed men: 30 million homeless and starving.)
(Morning Post. April 12, 1932.)

Presenting Japan's Side of the Case.

Published by the Japanese Association in China. Shanghai, December 1931

Loans to the grand total of £150 million have been made to the various Governments of China in an endeavour to strengthen the central government.

Moscow does not recognise the principle of Chinese territorial integrity.

Foreign debts of China is the sole cement which now binds together the Powers for the enforcement of a principle laid down in 1898 (the doctrine of China's integrity) that has brought more misery, death and destruction to Asia than the Great War to Europe.

In 1894 Japan went to war with China over Korea. A treaty of peace was signed at Shimoneseki on April 17, 1895 in which China recognised definitely the full independence of Korea and ceded to Japan in perpetuity and full sovereignty the southern portion of the Province of Fengtien, ^{and all} ~~new~~ islands belonging to that province. Considering that permanent possession of the ceded territory by Japan would be detrimental to the lasting peace of the Orient Russia, Germany and France, compelled Japan to hand back Fengtien to China.

In May 1896 Li Huang-chang, in order to be revenged upon Japan for his defeat, entered into a secret offensive and defensive alliance with Russia, which handed over Manchuria to the domination of the Czar. In order to carry out the objects of the alliance and facilitate the access of the Russian land troops to the menaced points (on the Korean border) and to assure their means of subsistence, China ceded to Russia the right to build a railway lying across the provinces of Heilungkiang and Kirin in the direction of Vladivostok. The official text was not revealed until 1921, 21 years later.

On Sept. 1896, the above secret treaty was implemented by signing the commercial convention for the construction and operation of the Chinese Eastern Railway.

On March 27, 1898, China leased to Russia for the term of 25 years the Liaotung Peninsula and conceded the right to extend the Chinese Eastern Railway from Harbin to Port Arthur.

Manchuria became practically a Russian Province. The Russian armies marched into the land of promise. They created no wealth. They opened no mines. They established no industries. The flood of Russian gold was expended for purely military and strategic purposes.

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1904 - 1905 Russian Japanese war.

September 5th 1905. Treaty of Portsmouth.

Russia transferred to Japan with the consent of China the lease of Liaotung. The railway had been destroyed by the retreating Russians, so Japan fell heir to a right of way and a road bed.

Japan borrowed money in England to rebuild South Manchurian Line and poured her own capital into the province in order to develop its resources. She must have invested some £250 million sterling altogether.

1915. Japanese 21 demands. (February)

In the subsequent negotiations the Chinese willingly agreed to accept those concerning Manchuria and Shantung, but rejected the rest.

Japan at the request of China then presented an ultimatum and as a result China signed a treaty on May 25 1915 extending the Liaotung Lease and the terms of the South Manchuria Railway and the Antung Railway to 99 years. The treaty also conceded to Japanese subjects the right by negotiation to lease land for erecting suitable buildings for trade and manufacture and for agricultural enterprises.

If the above treaty was extracted under duress, as the Chinese contend, it must not be forgotten that Japan was compelled by force majeure to restore to China the southern part of Fengtien Province after China had ceded it in perpetuity to Japan her.

China tried hard to have the 1915 treaties brought up at the Versailles Conference, but since England, France and Italy secretly promised to support Japan, she failed. She tried again in vain at the Washington Conference. She reserves the right, however, to seek a solution on future occasions.

China stands firmly on her declared policy not to recognise the validity of the 1915 treaty, Japan adheres to her acquired rights under that treaty. This treaty is now the crux of the Manchurian problem.

INDUSTRY.

1908. A trial cargo of soya beans despatched by the great Japanese firm of Mitsui to Liverpool created a new market for the stable crop of Manchuria. From that date commences the rise of Manchuria. Crop increased from 34 million bushels in 1915 to 221 million bushels in 1929, representing 63% of the world's total production.

The Manchurian soya bean has revolutionised the stock breeding and dairy industries of Denmark and Holland.

Marshal Chang issued an edict that the whole crop must be sold to an official purchasing organisation created by himself and his associates. The essential fact is that the crop is gradually collected and transported to various shipping centres where it is sold by the official combine to the exporting firms who pay in good hard cash and gold at that. Although the legal currency in Manchuria is based nominally on silver and copper, all important business is transacted in Japanese golden yen. The government got all the beans in exchange for inconvertible paper and exchanged the beans for gold.

Nobody knows the exact or approximately exact amount of these unsecured notes circulating in Manchuria. This is what militarism is doing to China. It is the reason for a nation's impoverishment, the degradation and enslaving of a patient, unlettered people that has no parallel in modern history, not even in Soviet Russia.

As long as Manchurian militarists confine their attention and activities to their own territory they are assured of sufficient funds, even at bottom prices, to retain their hold and authority over the people. But when their ambitions lure them outside the Wall and they are compelled to maintain a large army of occupation in North and Central China and wage war to hold this territory, bumper grain crops are an essential corollary.

The people of Russia, at least, have the satisfaction of knowing that the profits from their toil are being expended for the betterment of their living.

We call it communism in China, but the upheaval in Central China is merely the anarchy of ~~revolt~~ despair; the revolt of oppressed humanity against the hordes of political spoilsmen let loose upon the country by the new Kuomintang dispensation.

SELF-DEFENCE. In signing the Kellogg Pact several signatories reserved the right of self-defence and defence of regions where they have special interests. Japan had to move in Manchuria, as Britain has moved in India and Egypt, the U.S.A. in the Caribbean and France in Morocco. At the Kyoto Conference Mr Odagiri clearly explained Japan's position when he said that "the continued application of the boycott as an instrument to settle international disputes is highly provocative and unjust . . . if war is to be condemned as an instrument of national policy, so also must the boycott be outlawed.

China's lack of patriotism.

China qualifies any outside offer of mediation to end her own catastrophic wars as an infringement of her sovereignty, but demands immediate intervention and assistance in any dispute with an outside power.

Sad commentary on the patriotism of a people who, with bumper crops of cereals in Manchuria sufficient to feed from the surplus all the starving people in the Yangtze, with a system of government owned railways that could deliver this food to Hankow within 3 days, ~~would~~ are compelled to seek their relief wheat in the United States and pay for it at current market rates with borrowed money.

With 5 million men under arms China cannot stand on her own bottom and repel an invasion from outside. Page 38.

HAS JAPAN THE RIGHT TO DEFEND HERSELF.

Mr Elihu Root. "It is well understood that the exercise of the right of self-protection may, and frequently does, extend in its effects beyond the limits of the territorial jurisdiction of the state exercising it. The strongest example probably would be the mobilisation of an army by another power immediately across the frontier. Every act done by the other power may be within its own territory. Yet the country threatened by this state of affairs is justified in protecting itself by immediate war."

The Monroe Doctrine, as Mr Hughes interprets it, "rests upon the right of every sovereign state to protect itself by preventing a condition of affairs in which it will be too late to protect itself."

No solution of the issues between these two countries can be arrived at unless China can give some acceptable guarantee that she will discharge faithfully her duties to Japan, and in her present disorganised and weakened condition, she cannot give these assurances.

It would appear that international intervention in these Far Eastern problems is circumscribing Japan's power of resistance, binding her hand and foot while forces designed for her undoing are permitted fair play.

The Washington Treaties gave China a Magna Charta and a chance to set her house in order and take her place in the family of nations on a plane of full equality and respect. As Mr Hughes points out, "the outside powers could not provide stability for China, but they did provide assurances of respect for her sovereignty, independence and territorial and administrative integrity and the full and most unembarrassed opportunity to develop and maintain for herself an efficient and stable government." Everything was done

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USA policy always to withdraw when they had established law & order.

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at Washington short of the interference which China resents.

China has had 10 years in which to place her house in order and discharge these obligations and duties to other states, but instead of living up to the confidence reposed in her ability to assume these burdens, she has gone from bad to worse, sinking lower and lower in the mire of militarism, lawlessness, disorder and misgovernment, until today she faces extinction as a state.

In 1898 the United States (even after Spain had agreed to all their demands) intervened in Cuba in the cause of humanity and because of a condition of affairs at their very doors so injurious to their interests that it had become intolerable.

The United States intervened in Saint Domingo in the interests of law, order and peace and when these were assured they were glad to withdraw.

The United States intervened in Hayti in 1915 after a series of successive revolutions had exhausted and devastated the republic and handed the people over to the most merciless, barbarous and blood-thirsty group of bandit caciques and predatory politicians that ever usurped the reins of government in the Western hemisphere.

The United States intervened in Nicaragua and did not retire until they had established a truly representative government under an electoral law that guaranteed to the harassed people their fundamental rights as citizens of a republic.

"No nation", says Mr Reuben Clark (former under-secretary of State) has with more frequency than the American Government used its military forces for the purpose of occupying temporarily parts of foreign countries in order to secure adequate and safety and protection for its citizens and their properties."

Calvin Coolidge in his famous speech to the United States Press on April 25 1927 said:

While it is well-established international law that we have no right to interfere in the purely domestic affairs of other nations in their dealings with their own citizens, it is equally well-established that our government has certain rights over and certain duties towards our own citizens and their property wherever they may be located. The person and property of a citizen are a part of the general domain of the nation, even when abroad. On the other hand, there is a distinct and binding obligation on the part of self-respecting Governments to afford protection to the persons and property of their citizens wherever they may be. This is both because it has an interest in them and because it has an obligation toward them. It would seem to be perfectly obvious

that if it is wrong to murder and pillage within the confines of the United States, it is equally wrong outside our borders. The fundamental laws of justice are universal in their application. These rights go with the citizen. Wherever he goes, these duties of our Government must follow him."

Mr Charles E. Hughes in a series of 3 lectures at Princeton in May 1928, dwelling on the fundamental of our intervention policy in Latin America said that "if any American President deliberately withheld protection from our nationals in time of danger, he would be condemned throughout the land".

Commenting on the right of a government to employ armed protection abroad, Raymond Leslie Buell, Research Director of the Foreign Policy Association says:

....." while states have rights they also have duties. And one of these duties is the protection of life and property against violence. This is a duty owed to other states. In municipal law when an individual is charged with failure to live up to his duties to other individuals there are tribunals which examine the charge and determine the truth. In international law such machinery has been lacking. And in the absence of such machinery the stronger states have frequently resorted to self-help when in their opinion the duty owed to them by other states has not been fulfilled. . . . As a result of the League of Nations Covenant and of the anti-war Pact various kinds of war have become illegal. But do these documents also make armed intervention illegal? Commentators have argued to the contrary on the ground that armed intervention is not war. Nevertheless, he adds, there is reason to believe that under the League Covenant at least all acts of force have been placed under international control. Apart from the Covenant and the anti-war Pact, the legality of non-political intervention, under certain circumstances, is supported not only by the practice of the leading powers, but also by the majority of the text writers on international law."

A MAJOR MILITARY ADVENTURE.

To state that the Japanese army officers entered into a major military adventure to wrest Manchuria from China with only 10,000 guards scattered along the South Manchurian Railway in a territory held by 250,000 well disciplined Chinese troops in improbable on its face.

The Chinese contend that Japanese forces to the number of 50,000 were engaged in the movement that took over their strategic centres in Manchuria, while the Japanese assert that their troops in Manchuria on Sept 18th were only 40,400. These were subsequently reinforced by additional troops from Korea, but even then the total was still below 15,000, the maximum allowed by treaty.

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BANDIT ACTIVITIES.

Since the first of the year there have occurred 59 cases in which the tracks and traffic of the S.M.R. have been interfered with. In addition there were 142 cases of bandit activities along the railway. The killing of Captain Nakamura and his party by Chinese troops, now admitted by the Chinese, increased the tension to a point where any overt act would precipitate the clash.

Shooting at Japanese railway patrols has become the favourite outdoor sport of bandits in Manchuria.

WHO PAYS THE BILL?

At the end of the Great War Japan was largely dependent upon China for its markets' but this is no longer true.

It is high time for Americans to wake up to the real situation and what it means to their own prosperity. They will now find that Japan's trade with all of China, including Manchuria and Hongkong, is 20 per cent of the total and excluding Manchuria and Honkong, only 13 per cent of the total.

The real vital factor in Japan's economic life is her trade with the United States (including the Philippines) which accounts for 44 per cent of her exports and 29 per cent of her imports, or 37 per cent of her total foreign trade.

Japan's exports to countries within the British Empire represent 18 per cent of the total while her imports from the same countries are 39 per cent. both representing 24 per cent of Japan's foreign trade. The United States, Great Britain and China therefore account for 81 per cent of Japan's trade, leaving 19 per cent scattered between all other countries.

As the exports of Japan to British Empire markets are largely confined to cotton yarns and textiles, the Indian cotton farmer would become the goat for the rest of the empire, as the heaviest loss would fall on his shoulders. British textile mills may buy more American cotton for a while, but who will buy the short staple Indian cotton crop, when the Japanese market is closed? If the Indian cotton farmer loses his market to Japan and the British mills do not take his product, it will give a decided impetus to Gandhi's program to have the Hindu people make their own homespun. The consequences of exerting the League's economic pressure upon Japan might have a far-reaching and

disastrous effect upon Britain's position in India.

Is the United States, co-operating with the League against the mandate of the Nation, to sacrifice a trade of \$800,000,000 gold and an investment of \$500,000,000 in gilt-edged Japanese bonds for the sake of upholding a military depotism which refuses to pay its legitimate bills to American firms for materials delivered, defaults on and repudiates its loans, flouts its treaty obligations, robs and oppresses its own people and floods the country with billions of worthless paper notes?

THE LEAGUE OF NATIONS

The Japanese delegate to the League of Nations, considered "that an inquiry should be carried out in China as well as Manchuria." And as he had prefaced his proposal by a statement that China had "openly professed a policy of the unilateral denunciation of Treaties, and had undertaken an open campaign against foreigners," "it was clearly Japan's intention to raise the question of the enforcement of her Treaty rights throughout China.

The League which came into being as a result of a unilateral Treaty, imposed upon Germany by force, cannot conceivably pronounce against the validity of Treaties alleged to have been obtained by coercion, especially as that coercion was antecedent to the establishment of the League itself.

The League, if it continues to interest itself in the Manchurian imbroglio, will sooner or later have to adopt the existing Sino-Japanese Treaties as the basis of its deliberations. It cannot allow its machinery to be used to restrain one party, while condoning persistent treaty violation on the part of the other. The League would, in fact, have gone much further towards ending the present trouble had it felt in a position, when its aid was invoked, to lay down the principle that Japanese treaty rights must be implemented. Japanese public opinion would have been reassured, and it is probable that a more moderate policy would have been enjoined upon the Japanese military commanders,

BB

WHAT A MESS!

The Council of the League of Nations seems to be floundering more and more deeply into the morass, as discussions

of the Sino-Japanese situation continue. The Council of the League has found it necessary to prevent the chief Chinese and Japanese Delegates from stating the cases of their respective Governments in public.

The Powers have swallowed violation after violation of their Treaty rights, and even negotiated to make such violations effective. They have, in fact, in their desire to meet the aspirations of Chinese nationalism, led the Chinese Government and the Chinese Provincial authorities to believe that the enforcement of their treaty rights was a matter of complete indifference, and that no matter to what length infringements of the Treaties were carried, no resistance would be offered.

M. Briand, who would be hooted out of office if he even whispered any suggestion that the validity of the Versailles Treaty should be submitted to arbitration, saw no inconsistency in suggesting that this procedure should be followed regarding Sino-Japanese Treaties, which Japan regards as being just as vital to her existence as the Versailles Treaty is to France.

Japan is certainly not helping matters by broadcasting protests against "treacherous attacks" by Chinese forces upon a Japanese Army which is more than 400 miles distant from the South Manchuria Railway Zone.

THE JAPANESE WILL NEVER EXPLOIT THE CHINESE

It is sad, but true, that it is only since the Japanese military occupation that the Manchurian agriculturalist has been able to obtain payment in silver for his produce.

Such prosperity as Manchuria has attained has been due, mainly, to the preservation of peace and order resulting from the presence of a Japanese garrison.

No Japanese or indeed any other Asiatic can compete successfully in the labour market, or in agriculture, with the Chinese worker, or in trade, with the Chinese merchant.

Fifty years of peace and progress in Manchuria would prove that whatever exploitation had been done had been

done by the Chinese at the expense of the Japanese, and that the permanent conquest of Manchuria was impossible.

CO-OPERATION BASED ON TREATY RIGHTS

Although they had no reason to like or to trust Soviet Russia, foreigners in China were almost unanimous in supporting her action in recovering her rights on the Chinese Eastern Railway in 1929.

If, as now appears clear, Japan's main object is to enforce their Treaty rights, and if, as now appears virtually certain, they succeed, there is unlikely to be much serious criticism among foreigners, either in China or elsewhere, of the methods they have employed. But it is difficult to believe that the solution of these problems will be rendered any easier by constant provocation of Powers who have for years past carried conciliation almost to the point of humiliation. The text-books in general use in the Chinese schools are full of anti-foreign propaganda. The ills inherent in a corrupt and militaristic Government are invariably attributed to "foreign imperialism."

The Manchurian problem is essentially one that would solve itself by cooperation. Chinese in the Three Eastern Provinces outnumber the Japanese and Koreans by at least twenty to one, and this disproportion will increase as years go by.

Those who advocate a settlement of the Manchurian question on Japan's terms - as set forth in her Statement of October 26 - are in fact advocating the only policy by which the loss of the Three Eastern Provinces by China can be averted.

Read 10-10-32

RUSSIA IS AT WAR WITH THE WORLD

A special Far Eastern army has been created to take care of the Chinese situation. Its strength is shrouded in secrecy, but it is based on Irkutsk and Chita with a double railway connecting those centers with European Russia and two huge steel mills, one at Kunitz, and the other at Magnetogorsk, capable of turning out over three million tons of steel to supply it with munitions.

It is recognised of all military leaders that its power of offence lies in the Soviet control of Mongolia. She has closed the territory to further Chinese penetration. No foreigner can visit, reside in or traverse Mongolia without a Soviet passport, and these are not forthcoming, even for foreign consuls accredited to China.

Exactly as Russia operated in Manchuria from 1896-1904, she is now proceeding in Mongolia. China has made no protest against the rape of Mongolia, either to Russia, to the League, to the ~~sanatory~~ ^{signatory} powers of the Kellogg Pact, or the nine Power Treaty. Russia has organised a Mongolian army, and flanked Japan's strategic position in South Manchuria.

If China had to confront Japan alone and insists that the 1915 Treaty is invalid, Japan can then take her case back to Portsmouth and exact the indemnity she feels she is entitled to by reason of China's secret alliance with Russia.

THE OSAKA MAINICHI
& The Tokyo Nichi Nichi.

Osaka, Saturday, June 25, 1932.

Extracts from the official text of Foreign Minister
Yoshizawa's note sent on February 23, 1932, in reply to the
recent note of President Paul Boncour of the League of Nations
Council.

GENEVA SHOWS IGNORANCE

1. The Japanese Government cannot understand why the Appeal of the Twelve Powers should be addressed to Japan - as though she were able, by the exercise of some unspecified act of forbearance, immediately to bring about the cessation of the alarming situation at Shanghai.

It is to the Chinese, as the attacking party, to whom the appeal might be effectively made. At the very least, it is impossible to see why it should be made to Japan alone. It does not appear to be suggested that Japan was wrong in resisting the attack made on her Marines. And unless that is assumed, why is she called upon to discontinue that resistance?

2. If the note had any positive suggestion to offer, such as the establishment of a "safety zone" adjoining Shanghai, with a view to the effective separation of the Chinese from the Japanese forces, or indeed any other guarantee for the cessation of conflict, the appeal would be intelligible. But no such suggestion is made. The Japanese forces are expected to lay down their arms, or to withdraw to Japan, and to allow the Chinese troops to occupy the International Settlement - for that would be the inevitable result. If it is said that the Chinese would be afraid to put themselves thus definitely in the wrong, the answer is that they already have done so twice; moreover, the storming of Shanghai could always be attributed to irresponsible soldiery.

3. Strong exception must be taken to the assumption that China is willing to resort only to peaceful measures for the solution of the dispute, while Japan is not so disposed.

JAPAN ADHERES TO COVENANT

Japan has participated unreservedly in the process of settlement provided in the Covenant; it surely cannot be supposed that these methods exclude the interim measures of self-defence which are interdicted by no resolution of the League, or that these methods compel her to accept a departure from their own express provisions, in the shape of a majority decision.

It is a universally accepted axiom that all Treaties of Pacific Settlement leave unimpaired the right of legitimate self-defence!

The gravamen of the regret appears rather to be that Japan has not unreservedly put herself in the hands of her colleagues; and this, with great respect, she was legally and morally entitled to decline to do. Legally, because she was under no promise to do otherwise. Morally, because, although reposing the greatest confidence in their judgment and goodwill, she believes that she is naturally and necessarily in a far better position to appreciate the facts than any distant Power can possibly be.

4. The Appeal invokes Article 10 of the Covenant of the League of Nations. The measures of Japan, strictly defensive, do not infringe on the provisions of that Article. That they do not do so is illustrated by the fact that neither when strong reinforcements were despatched by other Powers five years ago to defend Shanghai, nor when American and British forces bombarded Nanking, nor on various other occasions which will readily be recalled, was any question raised by any Power concerning this provision of the Covenant.

It is a very proper provision; but it does not exclude self-defence, nor does it make China a "chartered libertine" free to attack other countries without their having any right to repel the attack.

5. As Japan does not, any more than was contemplated on those occasions, contemplate any attack on the territorial integrity or independence of a member of the League of Nations, it is superfluous to say that the bearing of the observation that

attacks of such a character made in defiance of Article 10 of the Covenant cannot be recognised as valid and effective, is totally obscure to the Japanese Government. It takes this occasion of once more firmly and emphatically declaring that Japan entertains no territorial or political ambitions whatsoever in China.

9-POWER PACT ANALYZED

6. The Japanese Government is also unable to suppose that the duty of justice and moderation toward China is one which flows from the "Nine Power" Treaty of Washington. The duty of justice and moderation toward all Powers is entirely independent of the Treaty, and it is most willingly and gladly accepted by Japan, which is equally appreciative of the justice and moderation shown to herself by others. Japan is fully prepared to stand by all her obligations under the "Nine Power" Treaty, but it is conceived that it would be inconvenient and improper to enter upon a discussion to that engagement, and in the absence of some who are Parties.

CHINA IS NOT STATE

7. Finally it must be emphasized that the Japanese Government does not and cannot consider that China is an "organized people" within the meaning of the League of Nations Covenant.

China has, it is true, been treated in the past, by common consent, as if the expression connoted an organized people. But fictions cannot last forever, nor can they be tolerated when they become grave sources of practical danger. The time has inevitably come when realities, rather than fictions, must be reckoned with. The general desire to see China happy, prosperous and united, has led the world to treat her as united in a way, which in sober fact she was not. Her population is not organized, except in patches. If Japan had no interests there, it might be possible, to go on indefinitely respecting the fiction that the region is occupied by "an organized people". Japan, however, has enormous interests there. It is impossible any longer to treat chaos in China as if it were order. The authorities which exist in various parts of China derive their title simply from the fact that they do exercise control within limited areas. But they can have no title to extend their control beyond them. This anomalous state of things cannot but profoundly modify the application to Chinese affairs of the Covenant of the League.

'WE MUST FACE FACTS'

Instead of a single organised people, we have there various rudimentary nuclei of organization. The Japanese Government

does not pretend that it is easy to work out the implications and consequences of this situation. It is not easy, but it is necessary.

We must face the facts; and the fundamental fact is that there is no united control in China, and no authority which is entitled to claim entire control in China.

LEAGUE COMMISSION
on
MANCHURIAN DISPUTE.

Lord Lytton.

General Henri Claudel (France)

Major General Frank Ross (United States)
McCoy.

Dr Heinrich Schnee (Germany)

Count Luigi Aldovrandi-Marescotti (Italy)

First report (preliminary) April 30. 1932.

Published in Geneva on May 4th 1932.

THE OSAKA MANICHI
& The Tokyo Nichi Nichi.

Osaka. Saturday June 25 1932.

"I am happy to express my hearty congratulations on the occasion of the Manichi issuing a special commemoration edition to mark the birth of a great nation in the Orient."

Count Yasuya Uchida.
Governor of the South Manchurian Railway Company.

Manchuria is no longer a part of China. It must be looked upon as distinctly separated from China Proper with Shanaikuan marking its boundary. The 30,000,000 inhabitants long aspired to emancipate themselves from the yoke of ruthless exploitation at the hands of the two generations of the Chang family, the so-called Northeastern war lords and at last the day has come when they can establish their new domain in Eastern Asia.

Completely divorced from China Proper, the New Republic of Great Manchuria came into being with the memorable Declaration of the Foundation of the State proclaimed on March 1st.

The map of the Far East changes. This vast region of 460,000 square miles (twice the size of Japan) which embraces the four provinces of Mukden, Kirin, Heilungkiang and the Eastern Special District has now declared its independence to the world with Mr Henry Pu, the descendent of the Chinese Emperors, as its chief executive.

The significance of the Commission's Report has somewhat diminished with the advent of the new state. It is, however, none the less valuable now as unbiased data on Manchuria, because the recognition of the new Government by the Powers is undoubtedly one of the greatest international

diplomatic issues of the hour."

Morimitsu Kitamura. Staff Member of the Osaka
Manichi (English Edition.)

Entering Manchuria as it did, after so many nerve-racking difficulties, the Commission could not possibly draft the report without taking cognizance of the new Manchurian state. The report therefore is itself a reflection of the new situation in the Far East.

The reason why the new state adopted such an attitude towards the League Commission was self-evident. The new Manchurian Republic was under no obligation to the League, or to any other nation for that matter, to be examined like a suspected criminal. Absolute defiance of foreign interference and unreserved collaboration with friends through proper channels is the universal stand among independent states. Once approached properly, however, the Manchukuo Government immediately extended its hands to facilitate the work of the Commission, as is shown by the result of Lord Lytton's formal representation to Mr Hsieh.

Morimitsu Kitamura.

WHERE POPULAR WILL DEFIES OBSTACLES.

The greatest tribute to the Manchurian republic is that it was established in spite of the world-wide counter pressure from the champions of the status quo ante. Its very formation vindicates its claim as a new world factor.

There is no use playing ostrich to the great economic factors involved in the Far Eastern upheaval. The wars fought and the constant diplomatic issues raised within the last half century bespeak the magnitude of the industrial potentialities at stake.

Should the Doctrine of the Open Door nullify the natural advantage of geographical proximity enjoyed by some nations? Should the fruits of sacrifice for national security be abandoned for the sake of equal opportunity?

If the American Monroe Doctrine, the British imperial self-sufficiency policy, and the French protection of the Danubian states are justified, isn't there room for tolerance towards the Nippon need for the Far Eastern economic bloc?

As Foreign Minister Hsieh Chieh-shih of the Hsinking

Government has appropriately stated: Manchuria and Japan must co-exist, cooperate, and even 'co-collapse'.

Sovereignty is more than right to freedom. It must be accompanied by the dignified exercise of duty and obligation. A hostile act is not confined merely to firing guns. There exists no peace as long as boycotts and anti-foreign agitations are unchecked. Japan has withdrawn her troops. Nanking and Geneva must do the rest.

LEAGUE COMMISSION VIRTUALLY RECOGNISES NEW REPUBLIC.

INFANT STATE ASSUMES FIRM ATTITUDE ON KOO ISSUE, BUT IS FRIENDLY TOWARDS VISITING GUESTS.

HOW JAPAN WAS FORCED TO FIGHT IN SELF DEFENCE AT SHANGHAI.

NIPPON IS RESOLUTE AT GENEVA IN HER STRUGGLE FOR JUSTICE.

JAPAN AND LEAGUE STAND SQUARELY OPPOSED ON CHINA ISSUE.

JAPAN PUTS UP LONE AND GALLANT FIGHT AGAINST APPARENT UNITED PERVERSITY OF LEAGUE ON SINO-JAPANESE CONTROVERSY.

Under pictures of Sir John Simon, Mr Aristide Briand and Lord Reading is written:

PROMINENT IN LEAGUE-JAPAN ORAL SCUFFLE.

INDUSTRIAL EXPANSION TO FORM BASIC POLICY OF MANCHURIA.

LAWS ANNOUNCED BY NEW REPUBLIC ENSURE PEACEFUL LIFE FOR ALL.

THE WAR LORDS OF JAPAN

by Kenneth Colegrove

North American Review. May, 1932.

The extraordinary power of the militarists is attained by means of the famous ordinances of Yamagata promulgated in 1899, which place the minister of war and the minister of the navy beyond the control of the prime minister and the cabinet. These ordinances require that only a general may hold the portfolio of war and only an admiral the portfolio of the navy. The Prime Minister is thus compelled to accept the dictation of the army and the navy in these appointments. These officers are under the influence of the supreme War Council, and on occasion, lay down heavy conditions which the Prime Minister is compelled to accept. Indeed the minister of war may actually upset the cabinet, as was done by General Uyebara in 1912, whenas he refused to come to terms with the Prime Minister over the question as to the number of divisions to be placed on garrison duty in Korea. In this case the War Minister resigned; no other general would accept appointment in his place, and the Saionji Government was compelled, in its turn, to abandon office. Today the position of the cabinet is also compromised by the fact that the Emperor is commander-in-chief of the army and of the navy, and that the ministers of war have direct access to the Throne, even over the head of the Prime Minister.....

Back of all this is the mysterious Emperor the central figure in the Japanese system. In many respects, the constitution which the Emperor Meiji gave his people in 1889 is a remarkable document. It was drafted for the Emperor by Prince Ito who had made a careful study of governments throughout the world, but who ended by accepting Bismarck as his model of constitution builder. P. 403. 404.

Advanced socialistic ideas, commonly called "dangerous thoughts" are sternly repressed in the universities and public meetings. A brutal ordinance - the Peace Preservation Law - punishing "dangerous thinkers" with the death penalty, surreptitiously promulgated by the Tanaka Government after the adjournment of the Diet in 1928, has finally been enacted by the Diet itself. P. 408.
