INFORMATION AND OPINION CONCERNING THE JAPANESE INVASION OF MANCHURIA AND SHANGHAI FROM SOURCES OTHER THAN CYLNESE

TO OUR READERS:

The Japanese invasion of Manchuria and Shanghai has astonished the whole world. No doubt most people outside China want to understand the real situation in the Far East.

The Shanghai Bar Association considered it necessary to introduce to the readers some reliable and impartial information and opinion originally given by fair minded Furopeans and Americans, who were living in China and had witnessed the actions of both Japanese and Chinese during the invasion. We have also utilized a few articles written by the Japanese.

In order to avoid the suspicion that any utterance from the Chinese might have been exaggerated, the Association confines itself, in this copy, only to the work of reproducing the information and opinion of other nationals.

After reading this publication we hope our readers will form their own judgment. Any suggestion or criticism on the subject made to us will be highly appreciated.

K. N. LEI,

PUBLICITY EDITOR OF THE SHANGHAI BAR ASSOCIATION.

SHANGHAI, 1932.

CONTENTS

	PAGE
Acknowledgment	iv
A LETTER TO OUR READERS	v
CONTENTS	vii
PART I. THE ORIGINAL MOTIVE OF THE JAPANESE INVASION	
TANAKA MEMORIAL	1
JAPANESE GENERAL HONJO'S PLAN OF WORLD CONQUEST	28
PART II. THE OCCUPATION OF MANCHURIA BY THE JAPANESE A	
JAPANESE MILITARY OCCUPATION OF SOUTH MANCHURIA	35 48
How the Japanese Troops Captured Mukden	56
NAKAMURA, EXTRATERRITORIALITY, AND THE INVASION	00
THE SWORN STATEMENT MADE BY DR. SHERWOOD EDDY WHO WITNESSED THE CAPTURE OF MUKDEN BY THE JAPANESE ON SEPTEMBER 18 AND 19	60
EVIDENCE OF JAPAN'S REAL OBJECTIVE IN MANCHURIA	61
HOW THE JAPAN ESE TOOK TSITSIHAR—THE BACKGROUND AND THE AFTERMATH.	65
JAPAN "ORDERS" ALL CHINESE TROOPS OUT OF MANCHURIA	72
UNDER THE JAPANESE FLAG IN THE MANCHURIAN CAPITAL (I)	74
UNDER THE SAFANESE PEAGIN THE MINISTER (II)	82
" " " " " (II)	90
CHINCHOW FALLS INTO HANDS OF THE JAPANESE—WHAT NEXT?	. 97
THE AMBITIOUS PLANS OF THE JAPANESE MILITARISTS	99
CHINCHOW—AND AFTER	101
NEW GOVERNOR INSTALLED AT TSITSIHAR	108
JAPANESE "STATE-BUILDING" ACTIVITIES AT MUKDEN	109
MANCHURIAN INDEPENDENCE PROCLAIMED AS SATELLITES MEET TO FIX GOVERN-	
MENT	115
How the Japanese Plan to Exploit Manchuria	116
CHRISTENING OF NEW STATE	122 123
THE JAPANESE INVASION OF HARBIN	123
HENRY PU YI FORMALLY INVESTED AS JAPANESE PUPPET OF MANCHUKUO	128
FARCICAL "INDEPENDENCE" CELEBRATION AT HARBIN	129
JAPANESE COACH MANCHURIA CHINESE FOR LEAGUE VISIT WITH GUNS AS	123
PROMPTERS	129
LYTTON MISSION RECEIVES SECRET DOCUMENT ON PLAN OF TOKYO RULE IN NORTH	131
STATISTICS CONCERNING THE SINO-JAPANESE CONFLICT IN MANCHURIA	133
STATISTICS CONCERNING THE SINO-JAPANESE CONFLICT IN MANCHURIA	100
PART III. THE JAPANESE INVASION OF SHANGHAI	
JAPANESE OCCUPY CHAPEI: WOOSUNG FORTS SHELLED	140
BATTLE	144
How Japanese Took Chapei	149
NORTH RAILWAY STATION BOMBED	150
NIPPON ARMED CIVILIANS SEARCH MUCH FOR "BANDITS"	158
TERROR REIGN IN HONGKEW	159
AMERICAN LAD "ARRESTED"	161
GOVERNMENT REMOVES CAPITAL FROM NANKING TO LOYANG	161
50,000 CHEER TROOP TRAINS FOR SHANGHAI	163
WRITER HEARS TRAGIC STORIES OF INNOCENT VICTIMS IN JAPANESE ATTACKS	165

WRITER GIVES GRAPHIC DESCRIPTION OF SPENDING FIRST NIGHT IN CHAPE	PAGE
FOLLOWING SURPRISE ATTACK ON CITY JAPANESE MARINES EXECUTE 150 PROPERTY CO.	I
AMERICA JOINS BRITAIN 3D PROTEST AGAINST JAPANESE CHINESE SENDING HELP TO MULTIPLE CONTROL OF THE PROPERTY OF	171
THOUSANDS OF PRICELESS BOOKS DESTROYED IN LIBRARY FLAMES DEFENSE COUNCIL DEMANDS LABANIST FOR A PROPERTY OF THE PROPERTY OF T	174
CULTURAL LOSS TO NATION	176
BLAZES SEEN IN ALL AREAS CHAPEI BECOMES FAR-OFF "NO MANYO L"	187
FIRING LINES	188
CHINESE EYTDAG COLL I	191
CHINESE EXTRAS SELL LIKE HOT CAKES AS CRISIS BOILS CHINESE AIRPLANES WIN VICTORY	192
STUBBORN RESISTANCE BY CHINESE IN CO.	194
ONLY JAPANESE CALLED ENEMIES IN RED POSTERS PRESS REPORTERS PENETRATE CHANGED IN THE POSTERS	198
	198
WAR MACHINE AMERICAN DOCTOR HURT WHEN PLANT BOOMS ALERT A D EFFICIENT	
AMERICAN DOCTOR HURT WHEN PLANE BOMBS AMBULANCE COUNCIL PROTESTS JAPANESE PLANES BY AND DESCRIPTION OF THE PROPERTY OF THE PRO	199
	201
	202
	900
	202 205
	205
CAMP ATROCITIES COMMITTED BY LABANDER M	207
	209
	210
POLICE OFFICER ASSAULTED	213
CHINESE SCORE VICTORY IN FIERCE WOOSUNG FIGHT PASTOR CARRIED OFF REFUGEE CAMP ROMBED	214
REFUGEE CAMP BOMBED JAPANESE ASSAULTED BRITON	217
	219
IN THE CHINESE LINES DR. G. F. BUME'S LETTER ABOUT THE DUM DWG Property of the Chinese Lines.	219
DR. G. F. BUME'S LETTER ABOUT THE DUM-DUM BULLETS SEVEN SCHOOLS DESTROYED	220
	223
	223
NEW JAPANESE ULTIMATUM TO CHINESE MORE "ARRESTS" IN HONCKEY	224
	225
	228
	229 230
A PERSONAL EXPERIENCE 105 MISSIONARIES CONDEMN INVASION	231
	233
	234
DETENTION IN HONORDIN	234
DETENTION IN HONGKEW CHINESE CLAIM MIAOHANG AFTER EVINCENT TO	237
CHINESE CLAIM MIAOHANG AFTER FURIOUS FIGHT CHINESE PUT UP STERN RESISTANCE AGAINST JAPANESE ADVANCE	
AUGUSTANCE AGAINST JAPANESE ADVANCE	241

	PAGE
FOREIGN MILITARY OBSERVERS REVIEW MOVEMENTS IN JAPANESE BIG OFFENSIVE.	246
Another Move Towards Peace in Shanghai	251
CHINESE RETREAT ON ALL FRONTS	254
CHINESE PLANNING NEW STAND; NOT TO CEASE FIGHTING	258
NIPPON WARSHIPS PREVENT NANKING FROM SENDING REINFORCEMENTS	261
Officer Cites Withdrawal Aids Defense	262
PUPPET REGIME NOW SOUGHT BY JAPANESE HERE	264
NOTED RED CROSS WORKER INS ECTS DUM-DUM BULLET WOUNDS OF CHINESE	0
HERE	265
IN THE WAKE OF JAPANESE CONQUEST	266
MAYOR WU ORDERS ARREST OF TOKYO'S CHAPEI PUPPETS	270
JAPANESE OUST "PUPPET" GOVERNMENT IN CHAPEI	273
LEAGUE COMMITTEE'S FIRST REPORT ON SHANGHAI	274
SECOND REPORT	279
THIRD REPORT	282
FOURTH REPORT	284
PART IV. JAPAN'S WARLIKE ACTIONS ELSEWHERE	
INNER MONGOLIA AND ITS INDEPENDENCE	289
Who Staged Tye Tientsin Riots?	293
JAPANESE THROTTLE PEIPING-MUKDEN RAILWAY	294
JAPANESE IN HANKOW BUILD BARRICADES	296
JAPANESE LAND MEN IN SWATOW	296
JAPANESE WARSHIPS RAKE NANKING WITH GUNFIRE	297
CANNON SHOTS FIRED	299
TENSION HIGH AT SWATOW AND CHEFOO	301
ATMOSPHERE IN HANKOW GROWS TENSE	302
JAPANESE AIRPLANES PASS OVER SOOCHOW	303
AMERICAN KILLED IN AIR BATTLE WITH JAPANESE	303
JAPANESE PLANES AT HANGCHOW SELF-EXPOSURE OF JAPANESE MONGOLIAN INTRIGUE	304
DEEL - LATOSORE OF SAFANESE MONGOLIAN INTRIGUE	305
PART V. FOREIGN PRESS AND INDIVIDUAL VIEWS	
THE MANCHURIAN INCIDENT AND THE LEAGUE OF NATIONS	309
A GRAIN OF SALT	312
THE LEAGUE ACTION	315
A FATAL CURE	317
JAPAN DEFIES THE LEAGUE OF NATIONS—LEAGUE LEAVES CHINA IN THE LURCH.	318
AN APPEAL TO THE UNITED STATES ON BEHALF OF CHINA	329
JAPAN'S PART IN THE INSIDIOUS "INDEPENDENCE" MOVEMENTS	332
EXTRATERRITORIALITY AND INVASION	334
JAPAN'S PRELIMINARY DEMANDS ON CHINA	336
BEWARE, JAPAN—HANDS OFF SHANGHAI!	337
WHY NOT MAKE THE BOYCOTT AGAINST JAPAN GENERAL?	339
JAPAN SUGGESTS A COMMISSION OF INQUIRY, THUS PLAYING FOR TIME	340
A STUNNING JAPANESE FULFILLMENT OF CYNICAL FORECAST	343
WHAT HAPPENED IN MANCHURIA HAPPENED HERE	344
AN APPALLING SITUATION WHICH MUST BE BROUGHT IN HAND	346
THE COMMERCIAL PRESS BOMBED	348
TO THOSE WHO HAVE ABUSED A TRUST—GET OUT!	348
Japan's Aggression—Asia's Crisis Dangerous Misrepresentations	349
VICIOUS VANDALISM	351
DENEUTRALIZING THE SETTLEMENT	352
GUNS BOOM AT NANKING	354
	354

Harana W.	PAG
HUMANIZING WARFARE—A PLEA	35
MILITARY MURDER MUST STOP	35
AN IMPOSSIBLE SITUATION	35
PRICELESS TREASURES PERISH	35
"PROVOCATIVE"	359
SAFANESE DOMBARDMENT OF NANKING	359
AGAIN— GET OUT!"	363
AERIAL IDIOCY	362
ON PLAIN SPEECH	362
THOTOS WITH A PUNCH	364
RIGHTEGUS INDIGNATION	364
THE READERS' FORUM	368
SANITY	368
A FRESH OUTRAGE AGAINST AMERICAN PROPERTY	368
PROTECTION	369
OPTIMISTIC ADMIRALS	369
SETTLEMENT NEUTRALITY	370
AGGRESSION MISREPRESENTED AS SELF-DEFENSE	371
AIRPLANES	372
SHANGHAI AND THE MANCHURIAN QUESTION	373
WHY PRESENT CONDITIONS IN CHINA?	374
JAPANESE DEMILITARIZED ZONES IN CHINA	375
JOURNALISTIC AND OTHER MURDER	376
THE SOUL OF JAPAN	377
NOT TRUCE, BUT A FULL HALT DEMANDED BY THE WORKE	378
SNUG HOWITZERS	380
THE DATEST I ROPOSAL PROM TOKYO—DEMILITADIZED ZONES	
KIDDED BY EXPERTS"	380
SPARE REFUGEES AND RED CROSS WORKERS	381
RAMPANT RONIN	382
ANOTHER AMERICAN "INCIDENT," AND UNITED STATES OPINION	384
SMUGNESS	384
THE HIGH ROAD TO NOWHERE	385
JAPAN'S VISION: A RISING STAR OR A SETTING SUN?	386
LEAGUE'S APPEAL, AN HISTORICAL DOCUMENT	388
ULTIMATUM	390
WHEN WILL THE JAPANESE CALL A HALT?	392
WHAT JAPANESE ULTIMATUM MEANS TO CHINA	392
GUNNING FOR TROUBLE	394
Too Much to Swallow	396
UNDISPUTED MORAL VICTORY FOR CHINA	398
AN INGENIOUS ARGUMENT	399
CLINCHING CONFIRMATION	401
CLINCHING CONFIRMATION FACTS FROM MR STIMSON	401
FACTS FROM MR. STIMSON	402
UNDERESTIMATING THE COUNCIL	404
Two Important Documents on the Situation	405
POISON GAS	407
ANOTHER JAPANESE TRUCE PROPOSAL	408
A NEW MONGOLIAN-MANCHURIAN STATE?	409
MAN S DAD FAITH WITH THE KEST OF 119	410
THEISTIAN SAFANESE PROTEST	412
TARRICAN QUIPS ON JAPAN	413
THASTERLI WITHDRAWAL	413
THEOREM THEOREM	415
DIMBON REAFTRMS OPEN DOOP POTTON	418
VHEN A PROMISE IS NOT A PROMISE	199

Surrounded
U. S. AND JAPANESE COMMERCIAL RELATIONSHIP
THE ROUND TABLE CONFERENCE AT SHANGHAI 42
A COMEDY NOW ON IN MANCHURIA 43
PANACEA
THE RESOLUTION OF THE LEAGUE ASSEMBLY
OUR JAPANESE "PUPPET" GOVERNMENT—CONGRATULATIONS TO CARNEY AND
HUGHES 438
JAPAN THREATENS WITHDRAWAL FROM THE LEAGUE
No Peace or Prosperity Until Japanese Withdraw 44
THE "OPEN DOOR" IN MANCHURIA 44
LIST OF ERRATA 44

TANAKA MEMORIAL

Memorial Presented to the Emperor of Japan on July 25, 1927, by Tanaka, The Premier of Japan, Outlining the Positive Policy in Manchuria. (The China Critic, Shanghai—Thursday, Sept. 24, 1931)

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

General Considerations

The term Manchuria and Mongolia includes the provinces Fengtien, Kirin, Heilungkiang and Outer and Inner Mongolia. It extends an area of 74,000 square miles, having a population of 28,000,000 people. The territory is more than three times as large as our own empire not counting Korea and Formosa, but it is inhabited by only one-third as many people. The attractiveness of the land does not arise from the scarcity of population alone: its wealth of forestry, minerals and agricultural products is also unrivalled elsewhere in the world. In order to exploit these resources for the perpetuation of our national glory, we created especially the South Manchuria Railway Company. investment involved in our undertakings in railway, shipping, mining, forestry, steel manufacture, agriculture, and cattle raising, a scheme pretending to be mutually beneficial to China and Japan amount to no less than yen 440,000,000. It is veritably the largest single investment and the strongest organization of our country. Although nominally the enterprise is under the joint ownership of the government and the people, in reality the government has complete power and authority. In so far as the South Manchuria Railway Company is empowered to undertake

diplomatic, police, and ordinary administration functions so that it may carry out our imperialistic policies, the Company forms a peculiar organization which has exactly the same powers as the Governor-General of Korea. This fact alone is sufficient to indicate the immense interests we have in Manchuria and Mongolia. Consequently the policies toward this country of successive administrations since Meiji are all based on his injunctions, elaborating and continuously completing the development of the new continental empire in order to further the advance of our national glory and prosperity for countless generations to come.

Unfortunately, since the European War there have been constant changes in diplomatic as well as domestic affairs. The authorities of the Three Eastern Provinces are also awakened and gradually work toward reconstruction and industrial development following our example. progress is astonishing. It has affected the spread of our influence in a most serious way, and has put us to so many disadvantages that the dealings with Manchuria and Mongolia of successive governments have resulted in failure. Furthermore, the restriction of the Nine Power Treaty signed at the Washington Conference have reduced our special rights and privileges in Manchuria and Mongolia to such an extent that there is no freedom left for us. The very existence of our country is endangered. Unless these obstacles are removed, our national existence will be insecure and our national strength will not develop. Moreover, the resources of wealth are congregated in North Mancharia. If we do not have the right of way here, it is obvious that we shall not be able to tap the riches of this country. Even the resources of South Manchuria which we won by the Russo-Japanese War will also be greatly restricted by the Nine Power Treaty. The result is that while our people cannot migrate into Manchuria as they please, the Chinese are flowing in as a flood. Hordes of them move into the Three Eastern Provinces every year, numbering in the neighborhood of several millions. jeopardized our acquired rights in Manchuria and Mongolia to such an extent that our annual surplus population of eight hundred thousand have no place to seek refuge. In view of this we have to admit our failure in trying to effect a balance between our population and food supply. If we do not devise plans to check the influx of Chinese immigrants immediately, in five years' time the number of Chinese will exceed 6,000,000. Then we shall be confronted with great difficulties in Manchuria and Mongolia.

It will be recalled that when the Nine Power Treaty which restricted our movements in Manchuria and Mongolia was signed, public opinion was greatly aroused. The late Emperor Taisho called a conference of Yamagata and other high officers of the army and the navy to find a way to counteract this new engagement. I was sent to Europe and America to ascertain secretly the attitude of the important statesmen toward it. They were all agreed that the Nine Power Treaty was initiated by the United States. The other Powers which signed it were willing to see our influence increase in Manchuria and Mongolia in order that we may protect the interests of international trade and investment.

This attitude I found out personally from the political leaders of England, France and Italy. The sincerity of these expressions could be depended upon. Unfortunately just as we were ready to carry out our policy and declare void the Nine Power Treaty with the approval of those whom I met on my trip, the Seiyukai cabinet suddenly fell and our policy failed of fruition. It was indeed a great pity. After I had secretly exchanged views with the Powers regarding the development of Manchuria and Mongolia, I returned by way of Shanghai. At the wharf there a Chinese attempted to take my life. An American woman was hurt, but I escaped by the divine protection of my emperors of the past. It seems that it was by divine will that I should assist Your Majesty to open a new era in the Far East and to develop the new continental empire.

The Three Eastern Provinces are politically the imperfect spot in the Far East. For the sake of self-protection as well as the protection of others, Japan cannot remove the difficulties in Eastern Asia unless she adopts a policy of "Blood and Iron." But in carrying out this policy we have to face the United States which has been turned against us by China's policy of fighting poison with poison. In the future if we want to control China, we must first crush the United States just as in the past we had to fight in the Russo-Japanese War. But in order to conquer China we must first conquer Manchuria and Mongolia. In order to conquer the world, we must first conquer China. If we succeed in conquering China, the rest of the Asiatic countries and the South Sea countries will fear us and surrender to us. Then the world will realize that Eastern Asia is ours and will not dare to violate our rights. This is the plan left to us by Emperor Meiji, the success of which is essential to our national existence.

The Nine Power Treaty is entirely an expression of the spirit of commercial rivalry. It was the intention of England and America to crush our influence in China with their power of wealth. The proposed reduction of armaments is nothing but a means to limit our military strength, making it impossible for us to conquer the vast territory of China. On the other hand, China's resources of wealth will be entirely at their disposal. It is merely a scheme by which England and America may defeat our plans. And yet the Minseito made the Nine Power Treaty the important-thing and emphasized our trade rather than our rights in China. This is a mistaken policy—a policy of national suicide. can afford to talk about trade relations only because she has India and Australia to supply her with foodstuff and other materials. America because South America and Canada are there to supply her needs. Their spare energy could be entirely devoted to developing trade in China to enrich themselves. But in Japan her food supply and raw materials decrease in proportion to her population. If we merely hope to develop trade, we shall eventually be defeated by England and America, who possess unsurpassable capitalistic power. In the end, we shall get nothing. A more dangerous factor is the fact that the people of China might some day wake up. Even during these years of internal strife, they can still toil patiently, and try to imitate and displace our goods

so as to impair the development of our trade. When we remember that the Chinese are our sole customers, we must beware, lest one day when China becomes unified and her industries become prosperous. Americans and Europeans will compete with us: our trade in China will be wrecked. Minseito's proposal to uphold the Nine Power Treaty and to adopt the policy of trade towards Manchuria is nothing less than a suicidal policy.

After studying the present conditions and possibilities of our country, our best policy lies in the direction of taking positive steps to secure rights and privileges in Manchuria and Mongolia. These will enable us to develop our trade. This will not only forestall China's own industrial development, but also prevent the penetration of European Powers. This is the best policy possible!

The way to gain actual rights in Manchuria and Mongolia is to use this region as a base and under the pretence of trade and commerce penetrate the rest of China. Armed by the rights already secured we shall seize the resources all over the country. Having China's entire resources at our disposal we shall proceed to conquer India, the Archipelago, Asia Minor, Central Asia, and even Europe. But to get control of Manchuria and Mongolia is the first step if the Yamato race wishes to distinguish themselves on Continental Asia. Final success belongs to the country having food-supply; industrial prosperity belongs to the country having raw materials; the full growth of national strength belongs to the country having extensive territory. If we pursue a positive policy to enlarge our rights in Manchuria and China, all these prerequisites of a powerful nation will constitute no problem. Furthermore our surplus population of 700,000 each year will also be taken care of. If we want to inaugurate a new policy and secure the permanent prosperity of our empire, a positive policy towards Manchuria and Mongolia is the only way.

Manchuria and Mongolia — Not Chinese Territory

Historically considered, Manchuria and Mongolia are neither China's territory nor her special possessions. Dr. Yano has made an extensive study of Chinese history and has come to the positive conclusion that Manchuria and Mongolia never were Chinese territory. This fact was announced to the world on the authority of the Imperial University. The accuracy of Dr. Yano's investigations is such that no scholars in China have contested his statement. However, the most unfortunate thing is that in our declaration of war with Russia, our government openly recognized China's sovereignty over these regions and later again at the Washington Conference when we signed the Nine Power Treaty. Because of these two miscalculations (on our part) China's sovereignty in Manchuria and Mongolia is established in diplomatic relations, but our interests are seriously injured. In the past, although China speaks of the Republic of five races, yet Thibet, Sinkiang, Mongolia and Manchuria have always remained special areas and the princes are permitted to discharge their customary functions. Therefore in reality the sovereign power over these regions resides with the princes. When the opportunity

presents itself, we should make known to the world the actual situation there. We should also wedge our way into Outer and Inner Mongolia in order that we may reform the mainland. So long as the princes there maintain their former administrations, the sovereign rights are clearly in their hands. If we want to enter these territories, we may regard them as the ruling power and negotiate with them for rights and privileges. We shall be afforded excellent opportunities and our national influence will increase rapidly.

Positive Policy in Manchuria

As to the rights in Manchuria, we should take forceful steps on the basis of the Twenty-One Demands and secure the following in order to safeguard the enjoyment of the rights which we have acquired so far:

- 1. After the thirty-year commercial lease terminates, we should be able to extend the term at our wish. Also the right of leasing land for commercial, industrial and agricultural purpose should be recognized.
- 2. Japanese subjects shall have the right to travel and reside in the eastern part of Mongolia, and engage in commercial and industrial activities. As to their movements, China shall allow them freedom from Chinese law. Furthermore, they must not be subject to illegal taxation and unlawful examination.
- 3. We must have the right of exploiting the nineteen iron and coal mines in Fengtien and Kirin, as well as the right of timbering.
- 4. We should have priority for building railroads and option for loans for such purposes in South Manchuria and Eastern Mongolia.
- 5. The number of Japanese political, financial and military advisers and training officers must be increased. Furthermore, we must have priority in furnishing new advisers.
- 6. The rights of stationing our Police over the Koreans (in China).
- 7. The administration and development of the Kirin-Changchun Railway must be extended to 99 years.
- 8. Exclusive right of sale of special products—priority of shipping business to Europe and America.
- 9. Exclusive right of mining in Heilungkiang.
- 10. Right to construct Kirin-Hueining and Changchun-Talai Railways.
- 11. In case money is needed for the redemption of the Chinese Eastern Railway, the Japanese government must have the first option for making loans to China.
- 12. Harbor rights at Antung and Yingkow and the right of through transportation.
- 13. The right of partnership in establishing a Central Bank of the Three Eastern Provinces.
- 14. Right of pasturage.

Positive Policy Towards Inner and Outer Mongolia

Since Manchuria and Mongolia are still in the hands of the former princes, in the future we must recognize them as the ruling power and give them support. For this reason, the daughter of General Fukushima, Governor of Kwantung, risked her life among the barbarous Mongolian people of Tushiyeh to become adviser to their Prince in order that she might serve the Imperial Government. As the wife of the Prince Ruler is the niece of Manchu Prince Su, the relationship between our Government and the Mongolian Prince became very intimate. The princes of Outer and Inner Mongolia have all shown sincere respect for us, especially after we allured them with special benefits and protection. Now there are 19 Japanese retired military officers in the house of the Tushiyeh. We have acquired already monopoly rights for the purchase of wool, for real estate and for mines. Hereafter we shall send secretly more retired officers to live among them. They should wear Chinese clothes in order to escape the attention of the Mukden Government. Scattered in the territory of the Prince, they may engage themselves in farming, herding or dealing in wool. As to the other principalities, we can employ the same method as in Tushiyeh. Everywhere we should station our retired military officers to dominate in the Princes' affairs. After a large number of our people have moved into Outer and Inner Mongolia, we shall then buy lands at one-tenth of their worth and begin to cultivate rice where feasible in order to relieve our shortage of food-supply. Where the land is not suitable for rice cultivation, we should develop it for cattle raising and horse breeding in order to replenish our military needs. The rest of the land could be devoted to the manufacture of canned goods which we may export to Europe and America. The fur and leather will also meet our needs. Once the opportunity comes, Outer and Inner Mongolia will be ours outright. While the sovereign rights are not clearly defined and while the Chinese and the Soviet governments are engaging their attention elsewhere, it is our opportunity quietly to build our influence. Once we have purchased most of the land there, there will be no room for dispute as to whether Mongolia belongs to the Japanese or the Mongolians. Aided by our military prowess, we shall realize our positive policy. In order to carry out this plan, we should appropriate yen 1,000,000 from the "secret funds" of the Army Department's budget so that four hundred retired officers disguised as teachers and Chinese citizens may be sent into Outer and Inner Mongolia to mix with the people, to gain the confidence of the Mongolian princes, to acquire from them rights for pasturage and mining and to lay the foundation of our national interests for the next hundred years.

Encouragement and Protection of Korean Immigration

Since the annexation of Korea, we have had very little trouble. But President Wilson's declaration of the self-determination of races after the European War has been like a divine revelation to the suppressed peoples. The Koreans are no exception. The spirit of unrest has permeated the

whole country. Both because of the freedom they enjoy in Manchuria due to incompetent police system and because of the richness of the country, there are now in the Three Eastern Provinces no less than The unlooked-for development is fortunate for our 1,000,000 Koreans. country indeed. From a military and economic standpoint, it has greatly strengthened our influence. From another standpoint, it gives new hope for the administration of Koreans. They will both be the vanguard for the colonization of virgin fields and furnish a link of contact with the Chinese people. On the one hand, we could utilize the naturalized Koreans to purchase land for rice cultivation; on the other, we could extend to them financial aid through the Cooperative Society, the South Manchuria Railway, etc., so that they may serve at the spear-head of our economic penetration. This will give relief to our problem of food supply, as well as open a new field of opportunity for colonization. The Koreans who have become naturalized Chinese are Chinese only in name: they will return to our fold eventually. They are different from those naturalized Japanese in California and South America. They are naturalized as Chinese only for temporary convenience. When their numbers reach two million and a half or more, they can be instigated to military activities whenever there is the necessity, and under the pretence of suppressing the Koreans we could bear them aid. As not all the Koreans are naturalized Chinese, the world will not be able to tell whether it is the Chinese Koreans or the Japanese Koreans who create the trouble. We can always sell dog's meat with a sheep's head as signboard.

Of course while we could use the Koreans for such purposes, we must beware of the fact that the Chinese could also use them against But Manchuria is as much under our jurisdiction as under Chinese jurisdiction. If the Chinese should use Koreans to hamper us, then our opportunity of war against China is at hand. In that event, the most formidable factor is Soviet Russia. If the Chinese should use the "Reds" to influence the Koreans, the thought of our people will change and great peril will befall us. Therefore, the present Cabinet is taking every precaution against this eventuality. If we want to make use of the Koreans to develop our new continental empire, our protection and regulations for them must be more carefully worked out. We should increase our police force in North Manchuria under the terms of the Mitsuya Treaty so that we may protect the Koreans and give them help in their rapid advance. Furthermore, the Eastern Development Company (Totuku Kaisha) and the South Manchuria Railway Company should follow then to give them financial aid. They should be given especially favorable terms so that through them we may develop Manchuria and Mongolia and monopolize the commercial rights. The influx of Koreans into these territories is of such obvious importance both for economic and military considerations that the Imperial Government cannot afford not to give it encouragement. It will mean new opportunities for our Since the effect of the Lansing-Ishii Agreement is lost after the Washington Conference, we can only recover our interests through the favorable development arising out of the presence of several millions

of Koreans in Manchuria. There is no ground in international relations for raising any objection to this procedure.

Railroads and Development of Our New Continent

Transportation is the mother of national defense, the assurance of victory and the citadel of economic development. China has only 7,200 to 7,300 miles of railroads, of which three thousand miles are in Manchuria and Mongolia constituting two-fifths of the whole. Considering the size of Manchuria and Mongolia and the abundance of natural products, there should be at least five or six thousand miles more. It is a pity that our railroads are mostly in South Manchuria, which cannot reach the sources of wealth in the northern parts. Moreover, there are too many Chinese inhabitants in South Manchuria to be wholesome for our military and economic plans. If we wish to develop the natural resources and strengthen our national defense, we must build railroads in Northern Manchuria. With the opening of these railroads we shall be able to send more people (Japanese) into Northern Manchuria. From this vantage ground we can manipulate political and economic developments in South Manchuria, as well as strengthen our national defense in the interest of peace and order of the Far East. Furthermore, the South Manchuria was built mainly for economic purposes. It lacks encircling lines necessary for military mobilization and transportation. From now on we must take military purposes as our object and build circuit lines to circle the heart of Manchuria and Mongolia in order that we may hamper China's military, political and economic developments there on the one hand, and prevent the penetration of Russian influence on the other. This is the key to our continental policy.

There are two trunk lines in Manchuria and Mongolia. These are the Chinese Eastern Railway and the South Manchuria Railway. As regards the railroad built by Chinese, it will doubtless become very powerful in time, backed by the financial resources of the Kirin Provincial Government. With the combined resources of Fengtien and Heilungkiang Provinces, the Chinese railroads will develop to an extent far superior to our South Manchuria Railway. Strong competition will inevitably result. Fortunately for us, the financial conditions in Fengtien Province are in great disorder, which the authorities cannot improve unless we came to their succor. This is our chance. We should take positive steps until we have reached our goal in railroad development. Moreover, if we manipulate the situation, the Fengtien banknotes will depreciate to an inconceivable degree. In that event, the bankruptcy of Fengtien will be a matter of time. The development of Manchuria and Mongolia will be out of the question for them. But we still have to reckon with the Chinese Eastern Railway. It forms a T with the South Manchuria Railway. Although this system is a convenient shape, it is by no means suitable for military purposes. When the Chinese build railroads as feeders of the Chinese Eastern Railway, it is best that they run parallel to it, west and east. But with the South Manchuria Railway as main line, we must have these lines run north and south. For the benefit of the Chinese themselves,

there are also advantages for these lines to run in this direction. Consequently our interest does not necessarily conflict with the Chinese. Now that Russia is losing influence and is powerless to advance in Manchuria and Mongolia, it is certain that the Chinese must act according to our beckoning in the development of railways in the future. Much to our surprise the Fengtien Government recently built two railroads, one from Tahushan to Tungliao and the other from Kirin to Haining both for military purposes. Those two railroads affect most seriously our military plans in Manchuria and Mongolia as well as the interest of the South Manchuria Railway. We therefore protested strongly against it.

That these railways were built was due to the fact that our official on the spot as well as the South Manchuria Railway authorities miscalculated the ability of the Fengtien Government and paid no attention to it. Later when we did intervene the railways were already completed. Besides, the Americans have been anxious to make an investment in developing the port of Hu-lu-tao through British capitalists. Taking advantage of this situation, the Fengtien Government introduced American and British capital in these railways in order to hold our interest at bay. For the time being we have to wink at it and wait for the opportune moment to deal with China about these two railroads.

Recently, it is rumored that the Fengtien Government is planning to build a railroad from Tahushan to Harbin via Tungliao and Fu Yu, so that there may be a direct line between Peking and Harbin without touching either the South Manchuria Railway or the Chinese Eastern Railway. What is more astonishing is that another railway beginning at Mukden passing through Heilung, Kirin, Wuchang terminating at Harbin, is also under way. If this plan becomes true, then these two lines would encircle the South Manchuria Railway and limit its sphere of activity to a small area. The result is that our economic and political development of Manchuria and Mongolia will be checked and the plan for curtailing our power provided by the Nine Power Treaty will be carried out. Moreover, the completion of these two railroads will render the South Manchuria Railway completely useless. The latter company will be confronted with a real crisis. But in view of China's financial conditions to-day, she cannot undertake these two railroads unless she resorts to foreign loans. And on these two railways the transportation charges will have to be higher than on the South Manchuria Railway. These considerations give us some comfort. But in the event of these two railroads becoming an accomplished fact and the Chinese Government making especially low freight charges in order to compete with the South Manchuria Railway, not only we but the Chinese Eastern Railway will also sustain great losses. Japan and Russia certainly would not allow China to carry out such obstructive measures, especially as the Chinese Eastern Railway depends upon Tsitsihar and Harbin for the bulk of its business. The consequence would be even more serious to both Japanese and Russian interests when the new railways are completed.

Let us now consider more in detail the competitive railways projected in Manchuria and Mongolia.

China contemplates:

- 1. Suolun-Taonan Railway.
- 2. Kirin-Harbin Railway.

Soviet Russia proposes:

- 1. Anta-Potung Railway.
- 2. Mienpo-Wuchang-Potuna Railway
- 3. Kirin-Hailin Railway.
- 4. Mishan-Muling Railway.

The Russian plans are designed to strengthen the Chinese Eastern Railway and thereby to extend its imperialistic schemes. For this reason the railways projected mostly run east and west. For although the power of Soviet Russia is declining, her ambition in Manchuria and Mongolia has not diminished for a minute. Every step she takes is intended to obstruct our progress and to injure the South Manchuria Railway. We must do our utmost to guard against her influence. We should use the Fengtien Government as a wedge to check her southern advance. pretending to check the southern advance of Soviet Russia as a first step, we could gradually force our way into North Manchuria and exploit the natural resources there. We shall then be able to prevent the spread of Chinese influence on the south and arrest the advance of Soviet Russia on the north. In our struggle against the political and economic influence of Soviet Russia, we should drive China before us and direct the events from behind. Meanwhile, we should still secretly befriend Russia in order to hamper the growth of Chinese influence. It was largely with this purpose in view, that Baron Goto of Kato's cabinet invited Joffe to our country and advocated the resumption of diplomatic relations with Russia.

Although we have an agreement with the Chinese Eastern Railway concerning transportation rates, according to which 45% go to the Chinese Eastern Railway and 55% to us, yet the Chinese Eastern Railway still grants preferential rates detrimental to the interest of the South Manchuria Railway. Moreover, according to a secret declaration of Soviet Russia, although they have no territorial ambition they cannot help keeping a hand in the Chinese Eastern Railway on account of the fact that north of the Chinese and Russian boundary the severe cold makes a railway valueless. Furthermore, as Vladivostok is their only seaport in the Far East, they cannot give up the Chinese Eastern Railway without losing also their foothold on the Pacific. This makes us feel the more uneasy.

On the other hand the South Manchuria Railway is not adequate for our purpose. Considering our present needs and future activities, we must control railways in both North and South Manchuria, especially in view of the fact that the resources of North Manchuria and Eastern Mongolia will furnish no room for expansion and material gains. In South Manchuria the Chinese is increasing at such a rate that it surely will damage our interests politically and economically. Under such circumstances, we are compelled to take aggressive steps in North Manchuria in order to assure our future prosperity. But if the Chinese Eastern Railway of Soviet Russia should spread across this field our new