

**EFFECTS OF CHINESE NATIONALISM  
UPON MANCHURIAN RAILWAY  
DEVELOPMENTS, 1925-1931**

**BY  
HARRY L. KINGMAN**

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## PREFATORY NOTE

As a source for numerous references to treaties, the admirable collection by J. V. A. MacMurray, *Treaties and Agreements with and Concerning China*, has been chiefly employed. Special indebtedness is felt, also, to Hsü Shu-hsi, and C. Walter Young for their extensive writings on Manchurian problems.

The writer wishes to express genuine appreciation, furthermore, of the considerable and valuable suggestion and criticism tendered by Professors Dwight C. Baker, Edwin Landon, Stuart Daggett, Esson M. Gale, David P. Barrows, and Frank M. Russell. For the inadequacies and inaccuracies that may be discovered the writer must acknowledge the sole blame.

# EFFECTS OF CHINESE NATIONALISM UPON MANCHURIAN RAILWAY DEVELOPMENTS, 1925-1931

BY

HARRY L. KINGMAN

## INTRODUCTION

The shooting by foreign police of Chinese students and laborers in the International Settlement in Shanghai on May 30, 1925, ushered in the beginning of an unprecedentedly vigorous Chinese nationalism,<sup>1</sup> and constituted a milestone along the march of the new China. The writer was but a few hundred yards away when the incident occurred and he had known one of the students who was killed. Without going into the moot question of whether or not the police were justified in their action it is a fact that China was immensely stirred by the event. The writer followed the ensuing nation-wide agitation with interest and became personally acquainted with national leaders like Dr. C. T. Wang, several times Minister of Foreign Affairs in the Chinese government, and Marshal Chang Hsueh-liang, deposed Manchurian<sup>2</sup> war lord, men whose names must of necessity appear frequently in a discussion of contemporary international relationships in northeast Asia.

The wave of nationalistic feeling set in motion by the Shanghai Incident has not yet subsided. In some instances it has quite engulfed the foreigner and his interests. Tariff autonomy has been regained; certain foreign-administered areas, such as the British concessions in

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<sup>1</sup> In this study the term "nationalism" will be used in the sense of a consciousness of national political entity which makes itself especially apparent in the vigorous demand by important individuals and groups, if not by the great mass of the people, for complete freedom from any outside encroachment upon the national sovereignty.

<sup>2</sup> The term Manchuria will, for convenience' sake, be commonly employed in these pages. The Chinese name for the area has been "The Eastern Three Provinces" (Tung San Sheng). The formation of Jehol Province added one to the original three. The name Manchukuo has been given to the three original provinces. This new independent state is not recognized by the Chinese Nationalist Government. (See C. Meng, *China Speaks*, 182-183.)



## Introduction

Hankow, Kiukiang, and Weihaiwei, have been restored to Chinese sovereign control; even foreign extraterritorial privileges are retained by only a few of the nations which once possessed them. That the drive to uproot foreign dominance within the boundaries of China should extend to Manchuria was inevitable.<sup>3</sup> In Manchuria, a region which the Powers in numerous treaties<sup>4</sup> have admitted to be an integral part of China, not only had the foreigner seriously encroached upon Chinese sovereignty but he had taken possession of assets which Chinese nationalists naturally coveted for their own nation.

Awakened in the summer of 1925 to a new national self-consciousness, the Chinese were forced to realize that the control of Manchuria with its approximately 382,000 square miles of rich and fertile territory was largely in alien hands. In South Manchuria<sup>5</sup> Japan stood preëminent, while Soviet Russia, by virtue of a dominant position in the Chinese Eastern Railway zone, held supremacy in the north. Because Manchuria was Chinese territory the achievement of national self-respect seemed dependent upon the establishment there of full Chinese political control. \* Furthermore, the huge expanses of undeveloped agricultural acreage to which excess population south of the Great Wall might emigrate, the immense deposits of coal, iron, and other minerals which the industrialized China of the future would require, the strategic importance for China of dominating the north-east mainland,<sup>6</sup> these items were more than sufficient to incite the determination to effect an incontestable Chinese hegemony.

That the Chinese campaign to establish supremacy in Manchuria would meet with resistance was quite to be expected. Not only had

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<sup>3</sup> That the Chinese campaign against the foreigner in Manchuria has been motivated by patriotism solely cannot be maintained. Certain actions by Chinese officials which constitute a part of the general offensive against Japan and Soviet Russia in Manchuria were undoubtedly prompted by self-interest rather than love of country. On the whole, however, most of the developments noted in this study seem best interpreted as an expression of Chinese nationalism, a nationalism admittedly differing in some of its aspects from that familiar to the Occident.

<sup>4</sup> For an enumeration and summary of pertinent sections of these treaties see C. W. Young, *The International Relations of Manchuria*, 40-43, 124-125, 185-188, 246-250. Hereafter references to this volume will include merely the author's name and the page.

<sup>5</sup> The terms South Manchuria and North Manchuria, with an imaginary line extending east and west through Changchun marking the division, are in this study used merely for convenience, and not as denoting political units.

<sup>6</sup> Hsü, Shu-hai, *China and Her Political Entity*, vii. Cited hereafter merely by name of author.

## Introduction

Japan fought two wars to gain her position there, but to the Japanese patriot it appeared that the future of the Japanese nation was linked up with her hold upon Manchuria.<sup>7</sup> Japan possessed huge economic interests there. She sorely needed the coal and iron, the wool and hides, the lumber and foodstuffs. She needed the markets and the trade, and above all she needed the strategic position on the mainland of Asia in case of another war with Russia.<sup>8</sup> The eventual coming of such a war seems to be a conviction of many Japanese leaders. One prominent Japanese official states it thus:

The Slav race will, as sure as I live . . . . strike out, and this time with more force than ever, towards the Far East. . . . I have faith in the Slav race . . . . the thing is coming I am sure. . . . The reaching out for ice-free seas is one of the blind forces of the Slav race . . . . history repeats itself and we Japanese do really entertain a very grave apprehension on this point.<sup>9</sup>

The same spokesman, in the light of recent events, seemingly represented the Japanese attitude faithfully when on another occasion he said: "Should the time come when Russia or China should take the aggressive to force Japan out of Manchuria, or to deprive her of her

---

<sup>7</sup> *Japan Year Book*, 1931:127-128. As justification for maintaining a special position in Manchuria the Japanese have been referring frequently of late to the significance of the secret Sino-Russian military alliance of 1896. One Japanese writer states that, at the time of the 1905 Treaty of Portsmouth, "had the existence of the secret treaty of alliance, under which China had extended clandestine assistance to Russia, been known, Japan could have justly demanded some substantial concessions from China as well" (K. K. Kawakami, *Japan Speaks on the Sino-Japanese Crises*, 7, 8, 10. Further references to this work will include only the author's name and the page). A reading of the treaty does not bear out the Japanese claim that the alliance was offensive as well as defensive (J. V. A. MacMurray, *Treaties and Agreements with and Concerning China*, 1:81). That the Chinese motive was merely to increase security against an aggressor is indicated by the fact that in 1904-1905 China did not side with Russia in the war with Japan. Russia, not Japan, had by then become the chief aggressor in Manchuria.

<sup>8</sup> Kawakami, "Japan Seeks Economic Empire in Manchuria," *Current History*, September, 1929:1111 ff.; K. Negishi, "Defensive Aspect of Economic Development in Manchuria and Mongolia," *Japan Magazine*, January, 1932:186-189.

<sup>9</sup> Y. Matsuoka, "An Address on Manchuria," privately printed, Kyoto, 1929. A semi-official interpreter of the Japanese position recently stated, "It is true that Tzarist Russia no longer exists, but to Japan the passing of the despotic government of the Tzar has brought upon its wake a cause for even greater anxiety. For just beyond Manchuria there exists a state upholding the principles utterly incompatible with our ideals of government, social order and human relationship. That state is vigorously pushing forward its programs and projects, and the energy and effectiveness that have been displayed cannot fail to sound the alarm in the minds of the thoughtful peoples of the other nations. We must again emphasize that Japan has a most vital concern in the affairs of Manchuria" (T. Komatsu, *Japan in Manchuria*, 5).

## Introduction

present legitimate interests, the result will be war."<sup>10</sup> In undertaking their campaign for the extension of full national sovereignty to the Liaotung Peninsula the Chinese essayed no easy task.

The Russians, too, were vitally interested in that part of Manchuria through which they had built the Chinese Eastern Railway. The future of Vladivostok, Russia's one important outlet to the Pacific, seemed to depend upon the maintenance of a dominant Russian position in the railway zone.<sup>11</sup> A Russian writer comments, from the standpoint of Siberian interests as follows:

Siberia has grown into a dominion with over fifteen million white people. All auguries are for energetic development, so the problem of practical outlets to the ocean promises to grow in acuteness and import. History shows that the problem of a hinterland seeking an outlet generates forces of a cosmic nature, which find solution in one way or another.<sup>12</sup>

Furthermore, the commercial significance of a strong position in the fertile regions of North Manchuria prompted a desire on the part of Soviet Russia to resist any attempt to displace her. In the Soviet Union the Chinese faced an adversary less formidable, perhaps, than Japan, but one which might not be expected to surrender calmly to the new Chinese aspirations.<sup>13</sup>

The period here chosen for a discussion of the effects of Chinese nationalism upon Manchurian railway developments lies between the Shanghai Incident of May, 1925, when the new phase of Chinese nationalistic effort began, and the Japanese military intervention of September, 1931, which apparently marked a serious setback to Chinese aims for Manchuria. Part One will deal with the Chinese attack upon the Japanese position in South Manchuria, and Part Two

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<sup>10</sup> Matsuoka, *New York Times*, June 9, 1929:8E.

<sup>11</sup> F. W. Mohr, "Die Ostchinesische Bahn," *Ostasiatische Rundschau*, July 1, 1929:347-348.

<sup>12</sup> B. Bakhmetev, "The Issue in Manchuria," *Slavonic Review*, December, 1929:314.

<sup>13</sup> For discussions of the economic, commercial, political, and strategic value of Manchuria see: H. Feis, *The International Trade of Manchuria*; Young, "Sino-Japanese Interests and Issues in Manchuria," *Pacific Affairs*, December, 1928:1-20, and "Chinese Colonization and the Development of Manchuria," *Proceedings of the Institute of Pacific Relations*, Honolulu, 1929:423-465; G. H. Blakeslee, *The Pacific Area*, 88-122; South Manchuria Railway Company, *Second Report on Progress in Manchuria*, 1930:1-229; H. Chu, *Manchuria*, 1-52; G. Vernadsky, "Russian Interests in Mongolia and Manchuria," *Proceedings of the Institute of International Relations* (Berkeley, 1929):168-173; Mohr, "Die Mandschurei," *Ostasiatische Rundschau*, September 1, 1929:471.

## Introduction

with that aspect of the Chinese campaign which affected the Russian position to the north.

The tactics employed against the Japanese will be found to differ markedly from those used against the seemingly weaker opponent in North Manchuria. The attempt to construct new railways which would compete economically with the Japanese roads characterizes the method employed in the south, whereas less subtle measures in North Manchuria included even the actual forcible dispossession of the foreigner from his rights under past treaties.

Although the study deals primarily with the years between 1925 and 1931,<sup>14</sup> it has seemed desirable in certain portions to review historical developments of an earlier date, developments which afford explanation for Chinese action in the period from 1925 to 1931.

The attempt is made to discuss the subject objectively and without national prejudice. Where three great nations are involved this is not always easy to do. Respecting Manchuria, it is difficult not to sympathize warmly with the Chinese in their aspirations to fully establish their political power through an area which is legally a Chinese possession. On the other hand, both Japan<sup>15</sup> and Russia have not only made immense contributions to the welfare of Manchuria but they possess there huge and legitimate economic interests which Chinese nationalistic activities have endangered.

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<sup>14</sup> In case Japan permanently maintains the new status which has come about since her military occupation of 1931, much of the study relating to this period will have but historical interest. If the Japanese are unable or do not choose to accomplish this, the *status quo* as it existed prior to September 18, 1931, will presumably provide the basis for readjustment.

<sup>15</sup> For an account of the significant part which Japanese have played in the development of South Manchuria see H. W. Kinney, *Manchuria Today*; also the South Manchuria Railway Company's *Second Report on Progress in Manchuria*.

**PART ONE**

**EFFECTS OF CHINESE NATIONALISM UPON  
RAILWAY DEVELOPMENTS IN  
SOUTH MANCHURIA,  
1925-1931**

## I

# PROPOSED ESTABLISHMENT OF CHINESE SOVEREIGNTY IN SOUTH MANCHURIA BY MEANS OF A NEW CHINESE RAILWAY SYSTEM

## A. CHINESE DETERMINATION TO CHALLENGE JAPANESE SUPREMACY IN SOUTH MANCHURIA

Whereas the Chinese campaign to oust the foreigner from a dominant position in Manchuria witnessed the threat of armed force against the Russian in North Manchuria before the end of 1925, there appeared no similar inclination to resort to military measures against Japan in the Liaotung<sup>1</sup> Peninsula. Japan's unquestioned military superiority and her very evident readiness to act instantly and decisively in the protection of her interests ruled out any such program of overt action as that followed by China against Soviet Russia. Of necessity different strategy and tactics were demanded.

Not for that reason, however, was the Chinese drive to compass full national sovereignty in South Manchuria the less intense. On the contrary, it has been, and is likely to continue to be, so persistent that some observers hold that, even if Japan chooses to attempt it, there is reasonable doubt whether she can permanently maintain a dominant position in northeast Asia.<sup>2</sup>

The characteristic Chinese attitude toward Japan in Manchuria was expressed thus in 1929 by a Chinese professor of history:

China cannot afford to share the control of Manchuria with any nation. It is sometimes said that Japan's aim in Manchuria is economic. . . . But they [the Chinese people] fail to understand why Japan needs . . . to operate the South Manchuria Railway and the Antung-Mukden Railway after the expiration of the original grants . . . they are equally at a loss as to why, before the redemption of the railways by China, Japan has to maintain military

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<sup>1</sup> The spelling of proper names will conform with the ordinarily accepted standards. Diacritical marks and aspirates, which are sometimes used in the spelling of Chinese names, with only a few necessary exceptions, will be omitted.

<sup>2</sup> G. L. Shaw, "The Future of Manchuria," *Fortnightly Review*, December, 1928:801-802; A. Kantorovitch, "Railway Construction and Railway Conflicts in Manchuria," *Novie Vostok*, 25, translated in *Asiatic Review*, October, 1929:722.

guards along them . . . . acquire control over existing Chinese lines, restrict Chinese freedom in railway development, project Japanese-financed lines against Chinese wishes . . . . exploit mines and industries beyond the need of the railway company.<sup>3</sup>

Many Chinese have spoken even more aggressively. Three years before the Japanese military intervention of 1931 one writer commented thus:

Japan must get out of Manchuria. The Manchurian question . . . . is pregnant with possibilities of a most ominous nature. The Japanese Government, by persisting in its aggressive policies, endangers not only the friendly relations between China and Japan but the peace of the Far East as well. Should some day the Sino-Japanese clash in Manchuria lead to another great conflagration not unlike that of 1914 the world would have no difficulty in naming the culprit.<sup>4</sup>

The fact that at the time of the Japanese intervention of September, 1931, China had not yet made any serious attempt to treat the Japanese in South Manchuria as roughly as she has handled the Russians in the north does not imply, as the following pages will indicate, that the same ultimate goal of Chinese supremacy was not being earnestly sought.

## B. PROPOSED NEW CHINESE RAILWAY SYSTEM

The *pièce de résistance* of the Chinese campaign in South Manchuria has been the proposed Chinese railway system, a project so comprehensive that, if successfully carried out, it might have justified the concern which Japan has displayed over the matter. With *force majeure* impractical for China under the circumstances, the decision to regain Chinese ascendancy by means of railways which would compete effectively with the South Manchuria Railway was a natural one.<sup>5</sup> For railways in northeast Asia have proved of unusual significance.<sup>6</sup> The successful attempts of Japan and Russia to establish their

<sup>3</sup> Hsü, *The Manchurian Question*, 1-2.

<sup>4</sup> J. C. Chin, "Japan's Position in Manchuria Based on Force Only," *China Weekly Review*, June 16, 1928:100.

<sup>5</sup> H. L. Kingman, "Chinese Nationalism Wins the Front Page for Manchuria," *Pomona College Magazine*, March, 1930:189-193.

<sup>6</sup> A leading American authority on Manchurian problems put it thus: "Manchurian diplomacy has been called railway diplomacy and the characterization is not without much justification. . . . It would be quite possible, in fact, to write a reasonably adequate account of Manchurian diplomacy for the last thirty-five years with railways as the plot."—Young, "Economic Factors in Manchurian Diplomacy," *Annals of the American Academy of Political and Social Science*, November, 1930:303.

special positions in northeast Asia have been based primarily on railway control.<sup>7</sup> The Nationalist government of China has from the outset appreciated the importance for China of well planned railway development, and it encouraged its former Minister of Communications, Mr. Sun Fo, in his dictum that "the construction of railways occupies a paramount position as the means to enhance and accelerate the development of our national economy."<sup>8</sup>

Although the motive back of some of the new railways built or projected by the Chinese in Manchuria since 1925 may have been a mixed one, on the whole it has appeared to be largely patriotic. An American observer states that

. . . . this Chinese activity in railway building may be looked upon as an important by-product of the new and ebullient Chinese nationalism. . . . The test of the validity of her rejuvenation was to be found in her relations with other powers. Her new leaders were resolved that China should be mistress in her own household, and that all the disabilities imposed upon her by treaty should be eliminated. Not the least of their demands was that she should own and operate her own railways.<sup>9</sup>

The new program has been based on the theory that Manchuria actually belongs to China.<sup>10</sup> The Japanese anxiety, indicated by repeated protests against the new building and by frank expressions of it in the press,<sup>11</sup> was at first created more by this new Chinese attitude than by fear of the actual competitive value of the new lines. That Japan should discern in the new Chinese program a possible future threat to her hard-won position in Manchuria, a position which is felt to be so closely linked with her national well-being, a position which in many ways has made possible Japan's extraordinarily noteworthy contribution to the development of northeast Asia, is not surprising. For impregnable though Japan has appeared in South Manchuria the outlook for an increasingly bitter economic struggle with an aroused China afforded legitimate grounds for disquiet. Since 1927, when the

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<sup>7</sup> M. W. Davis, "Railway Strategy in Manchuria," *Foreign Affairs*, April, 1926:499.

<sup>8</sup> Sun Fo, "National Scheme of Railway Construction," *China Year Book*, 1929-1930:357.

<sup>9</sup> H. K. Norton, "International Aspects of the Chinese Eastern Railway," *Annals of the American Academy of Political and Social Science*, November, 1930: 313.

<sup>10</sup> E. Snow, "Which Way Manchuria?" *Week in China*, August 3, 1929: 606-607.

<sup>11</sup> A. E. Pieres, "Japan Fears Chinese in Manchuria," *San Francisco Chronicle*, May 31, 1931:8F; S. Washio, *Trans-Pacific*, July 2, 1931:5.



civil governor of Fengtien<sup>12</sup> Province, Mo Tê-hui, made a public statement that the Chinese were fully decided to proceed aggressively in the construction of a Chinese railway system which would link up the provincial capitals of Fengtien, Kirin, and Heilungchiang,<sup>13</sup> Japanese officials by their words and actions have manifested increasing trepidation.

The determination to provide Chinese railroads between strategic centers in Manchuria was, it may be said, partially an outcome of Japanese and Russian interference with Chinese military communications. Chinese indignation was greatly aroused in the winter of 1925 in connection with General Kuo Sung-lin's revolt against Marshal Chang Tso-lin. The revolt, had it been successful, might have hastened considerably the unification of China under the Nationalist government. Yet though seemingly assured of success because of initial victories, Kuo met eventual defeat and death mainly because the Japanese exercised their control of the South Manchuria Railway zone in a manner which saved the reactionary Chang.<sup>14</sup> Anti-Japanese demonstrations in various parts of the nation helped crystallize the determination to do away with a situation in which a foreign power, because it controlled the main arteries of communication, could decide Chinese civil warfare in accordance with its own pleasure.<sup>15</sup>

At about the same time there occurred the Ivanoff Incident, wherein the Mukden authorities interpreted the actions of the Russian manager of the Chinese Eastern Railway in refusing to transport Chinese troops, as an intervention in behalf of the Kuo Sung-lin rebels.<sup>16</sup> Again, in April 1928, the transit of Chinese military units was once more hindered by the foreigner. The so-called Kwanchengtze Incident occurred over the transfer by the Chinese of certain rolling stock from the Taonan-Angangchi to the Mukden-Hailungcheng railroad. The Japanese maintained that this transfer was made in contravention of treaty agreements, and to show their power they denied transportation over the South Manchuria Railway to a division of

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<sup>12</sup> The name Fengtien was changed in 1929 to Shenyang, and the name Mukden to Liaoning. In this study the more familiar appellations will be employed.

<sup>13</sup> "Chinese Railways for Manchuria," *China Weekly Review*, March 19, 1927: 72-73.

<sup>14</sup> Young, *Japan's Special Position in Manchuria*, 351-354.

<sup>15</sup> Foreign Policy Association, "Recent Japanese Policy in China," 235-236.

<sup>16</sup> Young, 231; Kinney, *Manchuria Today*, 10-11.

Chinese troops. They also threatened the isolation of all Chinese railways from the South Manchuria Railway system.<sup>17</sup> During the Sino-Russia difficulties in 1929, the Chinese yet again experienced the embarrassment of having to take orders from Japan as to how and when Chinese military forces should be transported.<sup>18</sup>

Such incidents as these emphasized anew the hollowness of Chinese claims to sovereignty in Manchuria, and provided added incentive to strive for the consummation of plans for a Chinese railway system which, by linking up the strategic centers in Manchuria, would emancipate the Chinese from foreign dictation in times of crisis.

### C. CHINESE DISREGARD OF THE 1905 SECRET "PROTOCOLS"

When the Chinese began early in 1927 to drive ahead actively in the construction of certain units in the projected Manchurian railway system, they found that one of the many obstacles to be overcome was direct Japanese opposition. It appeared that Japan intended to hold China to certain alleged agreements attached to the Peking<sup>19</sup> Treaty of 1905 which proscribed the construction of new railroads parallel to the Japanese owned system. On August 24, 1927, Mr. Yoshizawa, Japanese minister in Peking, protested on behalf of the Japanese government against Chinese railway building activities on the grounds that they were in contravention of the 1905 agreements. The Chinese expressed indignation and ignored the protest.<sup>20</sup>

The legal basis for the Japanese protests against the Tahushan-Tungliao, the Mukden-Hailungcheng, and the Kirin-Hailungcheng railroads is found in the clause of the secret "protocols" attached to the Sino-Japanese treaty of 1905, which is alleged to read:

The Chinese Government engages, for the purpose of protecting the interests of the South Manchuria Railway, not to construct, prior to the recovery by China of said railway, any main line in the neighborhood of and parallel to that railway, or any branch line which might be prejudicial to the interests of the South Manchuria Railway.<sup>21</sup>

<sup>17</sup> *Trans-Pacific*, April 14, 1928:11.

<sup>18</sup> *Japan Weekly Chronicle*, September 5, 1929:263; October 10, 1929:382.

<sup>19</sup> The name of the capital city of Peking was changed to Peiping in 1928. When referring to the city since the date of change the new name will be used.

<sup>20</sup> A. J. Toynbee, *Survey of International Affairs*, 1928:435; H. Parlett, *Diplomatic Events in Manchuria*, 50.

<sup>21</sup> MacMurray, 1:554.

The authenticity of this secret agreement has been flatly denied by Tang Shao-yi, former governor of Fengtien Province, and one of the Chinese secretaries at the 1905 Peking conference. He stated that the Japanese had requested a ruling debarring China from paralleling the Japanese railroad, but that no such agreement was ever signed.<sup>22</sup>

Japan's opinion that she possessed the right to obstruct the building of parallel roads was given support in 1907 when the British government, faced by the Japanese protest,<sup>23</sup> failed to aid the British financial interests which had obtained a concession for financing a Hsinmintun-Fakumen railroad. The British editor of the *Japan Chronicle* commented: "This only shows that if you persist long enough in an imaginary right, and get other nations to respect it, you can in time persuade yourself that it really exists."<sup>24</sup>

The British Foreign Office, however, was apparently convinced that some form of secret Sino-Japanese agreement existed. Sir Edward Grey stated in Parliament on March 3, 1908, that the agreement regarding parallel railroads was not denied by the Chinese government.<sup>25</sup> On March 24, 1908, Sir Edward Grey stated that the government had been informed that the agreement had been signed by the Chinese representatives and that there could be no doubt of its validity.<sup>26</sup> Sir Edward presented no evidence for his statement.

That the matter of railroads paralleling the South Manchurian system was at least discussed at the 1905 conference is indicated by a Chinese note to the Japanese minister in Peking at the time of the difficulties attending the Hsinmintun-Fakumen project. It reveals that when the Japanese request was originally propounded the Chinese plenipotentiaries maintained that the word "parallel" was too comprehensive and that a definitely stipulated distance in miles was necessary. The Japanese retorted that if the number of miles should be made specific it might create the impression abroad that there was an intention to restrict Chinese railway enterprise. No denial was entered in the Chinese communication that some form of commitment had been entered upon, but it drew attention to the fact that the Japanese negotiators had "added a declaration that Japan would do

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<sup>22</sup> W. W. Willoughby, *Foreign Rights and Interests in China*, 1:172.

<sup>23</sup> M. J. Bau, *Foreign Relations of China*, 219.

<sup>24</sup> *Japan Weekly Chronicle*, September 29, 1927:321.

<sup>25</sup> *British Parliamentary Debates*, March 3, 1908, 185:527.

<sup>26</sup> *Ibid.*, March 24, 1908, 186:1191.

nothing to prevent China from any steps she might take in the future for the development of Manchuria.<sup>27</sup>

Until the time when Japan is able to prove the authenticity of the secret agreements concerning railroads paralleling the South Manchuria Railway, the uncertainty about the matter will no doubt continue.<sup>28</sup> It may be said, of course, that, in view of the negotiations which took place preceding the formation of the China Consortium Agreement of October, 1920, and especially since the Washington Conference, the "protocols," even if proved authentic, would generally be considered obsolete.<sup>29</sup> Furthermore, neutral opinion has seemed to hold that insistence by Japan upon observance of the clause forbidding parallel railroads would be in direct violation of Japanese treaty engagements in 1905 not to obstruct any general measures of benefit to all countries which China might make for the development of commerce and industry in Manchuria.<sup>30</sup>

Whatever be the facts regarding the authenticity of the alleged secret agreement of 1905 or its enforceability if authentic,<sup>31</sup> the Chinese followed the policy of disregarding it. Repeated Japanese protests have been ignored and railroads paralleling and competing with the South Manchuria Railway have been constructed. The Chinese have claimed that the Japanese acquiesced in this disregard of antiquated agreements, if such existed, by not protesting more promptly and more vigorously. Furthermore, they have maintained that, owing to the immense development of commerce, industry, and agriculture in South Manchuria, the new Chinese roads could not be considered prejudicial to the interests of the South Manchuria Railway.<sup>32</sup>

Before the military occupancy of South Manchuria in September, 1931, the Japanese course in the matter had been to make protest

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<sup>27</sup> Hsü, *The Manchurian Question*, 14.

<sup>28</sup> In January, 1932, the Japanese Foreign Office published in English what was alleged to be a translation of the secret "protocols." It was stated that the agreements had been kept secret at China's request and that they were merely recorded in the minutes of the Peking conference of 1905. It was claimed that copies signed both by Japanese and Chinese delegates were in the possession of the Tokyo Foreign Office. Upon the publication of these documents the Chinese again promptly denied their authenticity.—*New York Times*, January 15, 1932:12; *China Weekly Review*, January 30, 1932:276-277; *Trans-Pacific*, January 21, 1932:12.

<sup>29</sup> Young, 264.

<sup>30</sup> *Japan Chronicle*, September 21, 1927:321.

<sup>31</sup> Young, *Japan's Special Position in Manchuria*, 94-105.

<sup>32</sup> *Trans-Pacific*, July 14, 1928:8.

against the Chinese building, but not to force the issue. Apparently, the main objection to the new Chinese railroads was not prompted at first by their competitive possibilities, but rather by the danger in allowing treaty-breaking precedents to be established. In 1928 Mr. Y. Matsuoka, as vice-president of the South Manchuria Railway, stated:

The development of Manchuria and the increase of its products are going on at such a pace that the apprehension that bitter competition will occur between the Russian, the Japanese, and the Chinese railway interests will be found without grounds. With the country developing at this rate its railways, both existing and under construction, will have all the traffic they can handle. . . . The Japanese Government and the South Manchuria Railway, in dealing with the question of parallel railways, are concerned mainly with the principle that existing treaties and agreements, as long as they are binding, must be observed. Once this point is recognized the question of constructing projected Chinese railways will be comparatively easy to settle.<sup>22</sup>

It was the persistent Chinese refusal to admit the authenticity of the ban on parallel lines, plus the growing threat from the new roads to the Japanese economic position in Manchuria, which later led many Japanese to advocate more forceful measures in dealing with Chinese nationalistic expression.

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<sup>22</sup> Quoted in Kawakami, "Manchuria—The Crux of Chino-Japanese Relations," *Foreign Affairs*, April, 1928:386.

## II

### CONSTITUENT UNITS OF THE PROJECTED CHINESE RAILWAY SYSTEM

#### A. NEW ALL-CHINESE RAILROADS COMPLETED, 1925-1931

*The Mukden-Hailungcheng railroad.*—This new road, constructed and financed exclusively by the Chinese, was completed in September, 1927.<sup>1</sup> At the time of the Japanese intervention it connected with the Peiping-Mukden Railway at Mukden and with the new Kirin-Hailungcheng line at Hailungcheng. A branch line from Meiho, a few miles south of Hailungcheng, to the Chinese collieries at Hsian, was built in 1928. This branch was a joint undertaking of the Mukden and Kirin authorities. The coal output was to be used by both railroads, and any surplus was to be offered on the open market.<sup>2</sup>

At the outset the Mukden-Hailungcheng railroad construction was not protested by the Japanese.<sup>3</sup> Strained relations over the road were to arise later, however. The South Manchuria Railway Company agreed to furnish certain rolling stock for the new line on condition that goods be routed over the South Manchuria Railway to Dairen. The Chinese decided subsequently that it would be more to their interests to establish connections with the Peking-Mukden line. Part of the required rolling stock was obtained by transferring it from the Taonan-Angangchi railroad, which was Chinese-owned but Japanese-financed. The through-traffic agreement with the Japanese was cancelled on the grounds that it had not been ratified by the Chinese government's Ministry of Communications. The Japanese minister in Peking entered a protest in March, 1928. Getting no satisfaction, the Japanese temporarily obstructed the linking of the new Chinese road with the Peking-Mukden line by refusing to permit a crossing of the South Manchuria Railway.<sup>4</sup>

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<sup>1</sup> *China Year Book*, 1931:172.

<sup>2</sup> *Manchuria Daily News*, Monthly Supplement, September 1, 1928:2; *Japan Weekly Chronicle*, September 6, 1928:311.

<sup>3</sup> K. Tadokoro, *Manchuria Daily News*, Monthly Supplement, May 1, 1928:8.

<sup>4</sup> Young, 282.

This dispute over the transferred rolling stock was rather long drawn out. The Japanese held, as a reading of the agreement seems to prove, that the equipment was bound by treaty to remain on the Taonan-Angangchi line as security for Japanese loans. The Chinese Minister of Communications in Peking maintained that whereas the Taonan-Angangchi Railway bonds were in Japanese hands, the distribution of equipment lay within the province of the railway authorities. Minister Chang Yin-huai held that there was no treaty clause which denied the right to transfer the rolling stock. The Japanese were again, ostensibly, primarily concerned with maintaining the sanctity of treaty obligations. Vice-President Matsuoka of the South Manchuria Railway stated: "The Chinese have shifted only two locomotives and twenty freight cars. The only reason that objection has been raised is that a bad precedent might be set."<sup>5</sup> Governor Kinoshita of the Kwantung Leased Territory was reported by local papers to have considered the matter sufficiently serious, however, to urge Premier Tanaka to send a military expedition to force the Chinese to observe the treaty.<sup>6</sup> When a settlement was eventually reached, and the transferred rolling stock was returned, it was agreed that henceforth only the railway agreements which had been ratified by the Chinese government should be considered valid. Japanese Minister Yoshizawa in Peking was reported to have accepted the Chinese demand for non-interference by the Japanese, upon the expiration of the existing loan term, in matters pertaining to the Taonan-Angangchi line.<sup>7</sup>

The Mukden-Hailungcheng line was opened to through traffic in 1928. With the building of a new road between Kirin and Hailungcheng, through traffic between Mukden and Kirin was inaugurated in the following year.<sup>8</sup> Although development was handicapped by lack of funds the Mukden-Hailungcheng line proved to be an increasingly profitable investment and despite the general economic depression net income for the first six months of 1931 showed an increase.<sup>9</sup>

*The Kirin-Hailungcheng railroad.*—This railway, connecting Kirin with the Mukden-Hailungcheng road, was completed late in 1928.<sup>10</sup>

<sup>5</sup> *Trans-Pacific*, April 14, 1928:11.

<sup>6</sup> *Ibid.*

<sup>7</sup> *Ibid.*, April 21, 1928:14.

<sup>8</sup> Young, 280.

<sup>9</sup> *China Weekly Review*, November 21, 1931:446.

<sup>10</sup> *Manchuria Daily News*, Monthly Supplement, September 1, 1928:2.

On several occasions the Japanese vigorously protested the building of this road on the grounds that it paralleled the South Manchuria Railway. Consul General Yoshida in Mukden objected to it at the outset, on the grounds, also, that its construction violated the Sino-Japanese "Five Manchurian and Mongolian Railways" loan agreement of 1913, and the "Four Manchurian and Mongolian Railways" loan agreement of 1918, both of which were interpreted by the Japanese as giving them certain rights to participate in the construction of a railroad between Kirin and Hailungcheng. Despite the Japanese objections the Chinese authorities went right ahead with the railway construction.<sup>11</sup>

The new line, it was feared by the Japanese, would divert goods from the Japanese port of Dairen to the projected Chinese terminal port of Hulutao, interfere with the existing Japanese economic domination of South Manchuria, and in northeastern Manchuria tend to face the whole Kirin productive area economically toward the south. It has been the Japanese aim, with the completion of the extension of the Changchun-Kirin Railway to the Korean border, to give this territory its chief outlet in a Korean port.<sup>12</sup>

Chinese persistence in constructing this railway despite the Japanese protests created rather strained relationships for a time between Tokyo and Peking.<sup>13</sup> Additional misunderstanding was created over the purchasing of equipment abroad and the shipment of these materials over Japanese railroads. Nearly all the equipment for the Kirin-Hailungcheng line, including locomotives, as well as passenger and freight cars, came from the United States. For a time it appeared unlikely that the Japanese would look with favor upon the landing of this imported equipment at Dairen for delivery over the South Manchuria Railway. The question was amicably settled temporarily

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<sup>11</sup> Mr. C. W. Young, from his study of the treaties in question, states that there is reasonable doubt whether the correct interpretation of the treaties in question gives Japanese financiers the absolute right to participate in the construction of every and any railroad between Kirin and Hailungcheng. The Japanese possessed an option only on condition that foreign capital was to be borrowed for the purpose. They do not appear to have valid grounds for protesting unless foreign capital is secured by the Chinese (Young, 281).

Another writer concludes, on the contrary that the Chinese have clearly violated the 1918 agreement ("Manchuria's Railways," *Week in China*, June 8, 1929:457).

<sup>12</sup> C. K. Moser, "Manchuria's New Railways," *China Weekly Review*, February 18, 1928:295-296.

<sup>13</sup> C. Dailey, "The Problem of Japan and Manchuria," *ibid.*, October 8, 1927:147-151.



after diplomatic correspondence. In October, 1929, however, six American locomotives and several passenger cars, destined for delivery to the new railroad, were landed at Dairen, but under circumstances which created a presumption, for the time being at least, that in the future such shipments had better be landed elsewhere for delivery over the Peiping-Mukden Railway.<sup>14</sup>

After the completion of the road between Mukden and Kirin the Chinese had difficulty in raising sufficient funds to put it into first-class shape. Japan was, accordingly, insistent that she be allowed to participate in future developments.<sup>15</sup> An official of the South Manchuria Railway stated in the late summer of 1928 that the Kirin-Hailungcheng, the Mukden-Hailungcheng, and the Tahushan-Tungliao railroads were not in condition to function properly, and that they should be taken in hand by the Japanese.<sup>16</sup>

The Kirin-Hailungcheng line was financed by the Kirin government with the help of certain loans from Chinese officials and merchants.<sup>17</sup>

*The Tahushan-Tungliao (Payintalai) railroad.*—Constructed and financed purely by the Chinese, this line was completed in 1927. It brought to fruition what amounts to the southern section of the railway system projected by Viceroy Hsü Shih-chang, the concession for which was granted in 1910 to Willard Straight for an Anglo-American financial group. At Tahushan the new road was linked, despite Japanese protest,<sup>18</sup> with the Ssuningkai-Chengchiatun spur to Tungliao, which was built for the Chinese by the Japanese. A form of through traffic was begun in December, 1928, between Tahushan on the Peiping-Mukden Railway via Tungliao, Chengchiatun, and Taonan, to Angangchi. Since the Japanese continued to maintain a certain amount of control over this route beyond Tungliao, Chinese aims for a comprehensive all-Chinese system tapping North Manchuria and eastern Mongolia were as yet far from realization.

The construction of the Tahushan-Tungliao line was repeatedly protested by the Japanese government, and Japanese interests sought

<sup>14</sup> Young, 306.

<sup>15</sup> *Trans-Pacific*, September 1, 1928:19.

<sup>16</sup> *Ibid.*, September 8, 1928:13. Three years later this hope was realized (*New York Times*, December 20, 1931:1; January 6, 1932:12).

<sup>17</sup> *Manchuria Daily News*, Monthly Supplement, September 1, 1928:2.

<sup>18</sup> League of Nations Association of Japan, *Chinese Violations of Japanese Rights and Interests in Manchuria*, 2.

to participate in the financing. The protests were based on the 1905 "protocols" forbidding new lines paralleling the Japanese system. It seemed likely that this road might offer serious competition to the South Manchuria Railway with respect to certain regions in western and northwestern Manchuria and in Eastern Inner Mongolia. The Japanese were troubled by the fact, also, that the new road would affect the earning capacity of the Taonan-Ssuping kai line, which had been built for the Chinese with Japanese funds on which interest and principal had not been paid. Furthermore, the main purpose of the Japanese in constructing the Taonan-Ssuping kai railroad had been to furnish a feeder to the South Manchuria system.<sup>19</sup>

*The Hulan-Hailan railroad.*—A contract for the construction of this road was obtained by the Russo-Asiatic Bank in 1916, a sum being advanced which has never been repaid. The failure of the bank to proceed with the construction, owing to the unsettled conditions in North Manchuria during and after the Russian revolution, was taken by the Chinese as sufficient grounds for abrogation of the contract.<sup>20</sup>

In the spring of 1926 construction was begun by the Chinese under the direction of B. V. Ostroumoff, former manager of the Chinese Eastern Railway. Traffic was inaugurated in December, 1928. The line was built with Chinese capital exclusively. The new railroad runs from Hulan, across the Sungari River from Harbin, to Hailun via Suihua. The whole line, which was constructed by the *Ju Yi Kung Ssu*, a Chinese company, was built with excellent trackway, permanent buildings, big bridges, and equipped with the best American type rails.<sup>21</sup> It has been intended by the Chinese as one of the links in a projected Harbin-Hulan-Hailun-Mergen-Aigun railroad. The line would link up Blagoveshchensk, Siberia's important wheat center on the Amur River, with Harbin, and would dominate an agricultural territory of more than 60,000,000 cultivatable acres.<sup>22</sup> The line has proved profitable. In the first half of 1931 business on most Manchurian railways was greatly impaired, yet the Hulan-Hailun road increased its income.<sup>23</sup>

<sup>19</sup> *China Year Book*, 1931:171; Young, 280; *Japan Weekly Chronicle*, June 16, 1927:654.

<sup>20</sup> Young, 279.

<sup>21</sup> Moser, 295; I. Slotnarin, "Die Mandchurischen Eisenbahnen," *Ostasiatische Rundschau*, November 16, 1928:604-606; Young, 278-279.

<sup>22</sup> *China Year Book*, 1929-1930:354-355; Moser, 295.

<sup>23</sup> *China Weekly Review*, November 21, 1931:446.

## B. ALL-CHINESE RAILROADS UNDER CONSTRUCTION OR PROJECTED

*Tsitsihar-Ningnien-Koshan railroad.*—After regular service was introduced between Tsitsihar and the Taonan-Angangchi railroad, plans were made to extend the line into the rich and undeveloped lands to the north. Construction was begun in 1929 and in 1931 the line had been completed to Koshan through Ningnien and Taiachen. The section between Taiachen and Koshan was of temporary construction as insufficient funds had been available. Practically no equipment or material of foreign origin was purchased in 1931.<sup>24</sup> An extension of the Tsitsihar-Koshan line to Aigun and Taheiho has been contemplated by the Chinese. This scheme, if realized would bring to reality the Chinchou-Aigun dream of the Willard Straight financial group in the first decade of this century.<sup>25</sup>

*The Taonan-Solun-Hailar railroads.*—A survey of this projected railway into northwestern Manchuria and Mongolia was made by engineers of the Peiping-Mukden Railway and construction on the section between Taonan and Solun was begun in 1929. Upon completion of the first unit an extension was planned to Hailar, an important center on the Chinese Eastern Railway for the collection from Mongolian nomads of wool, live-stock, hides, and skins. The line would tap a wide expanse of fertile and virgin country and would presumably provide a basic development for further railway building in Mongolia.<sup>26</sup> By the middle of 1931 about fifty-five miles of the road had been completed, all the rails having been purchased locally second-hand. Most of the stock was obtained from the Peiping-Mukden line. The road was opened to traffic on February 1, 1931.<sup>27</sup>

*Other projected lines on which construction had not yet been started at the time of the Japanese intervention.*—A great many other

<sup>24</sup> J. J. Ehrhardt, "New Chinese Railroads," *China Weekly Review*, November 21, 1931:446; South Manchuria Railway Company, *Second Report on Progress in Manchuria*, 73.

<sup>25</sup> *China Year Book*, 1931:170; *Manchuria Daily News*, Monthly Supplement, January 1, 1929:4.

<sup>26</sup> Moser, 296; Slotnarin, 606-607; *Chinese Nation*, March 4, 1931:992; *China Year Book*, 1931:171.

<sup>27</sup> Ehrhardt, "New Chinese Railroads," *China Weekly Review*, November 21, 1931:446; Foreign Policy Association, *Railway Rivalries in Manchuria between China and Japan*, 38.

lines, some of importance and many of but minor significance, were planned. Sponsors for these projected roads have been of many types. Sometimes they represented the Nanking government, sometimes the Manchurian provincial authorities, frequently the plans were promulgated by groups of minor officials, by business organizations, or even by private individuals. Some plans appeared to be chiefly strategic in import, others were clearly economic in purpose, some promised to combine both strategic and economic advantages. The most interesting of these projected railways were: (1) from Tunhua, terminus of the Kirin-Tunhua line, to some point in northeast Heilungchiang on the Sungari or Ussuri rivers; (2) from Tungliao to Taheiho on the Amur River via Taonan and Tsitsihar; (3) from Tungliao to Peiping by way of Jehol; (4) from Hailungcheng eastward to the Korean border; (5) from Changchun to Taonan; (6) from Kaiping to Fuchow, south of Yinkow;<sup>28</sup> (7) from a point east of Changchun on the Changchun-Kirin line to a point on the Chinese Eastern Railway.<sup>29</sup>

It will be readily seen that, had this program been carried through, the Chinese would have possessed a communications system of truly comprehensive dimensions, a system which would practically surround the Japanese-owned lines. The two main trunk lines from north to south, one from Tahushan to the Amur River and one from Mukden to the Ussuri or Sungari River in eastern Heilungchiang<sup>30</sup> would not only parallel the South Manchuria Railway but, possessing a terminus at an adequate port at Hulatao, would, with the feeder lines that were planned, effectively exploit Manchuria's richest areas. The lines from Tungliao westward and from Taonan to the northwest would presumably assure the Chinese a dominant position in Mongolia.

During the 1925-1931 period, as has been noted, the sections of this scheme which the Chinese succeeded in completing were the Mukden-Hailungcheng, the Kirin-Hailungcheng, the Tahushan-Tungliao, the Tsitsihar-Koshan, and the Hulan-Hailun lines. Under construction was the road between Taonan and Solun.

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<sup>28</sup> The port of Yinkow is also commonly known by the name of Newchwang.

<sup>29</sup> C. S. Tung, "Chinese Railway Program," *Chinese Nation*, January 21, 1931:793; Moser, 295-296; *China Weekly Review*, December 20, 1930:110; Parlett, 50; Snow, 611-618; *Week in China*, January 18, 1930:69-70; Ehrhardt, "Railway Conditions in Manchuria," *China Weekly Review*, August 2, 1930:329-330.

<sup>30</sup> Kinney, *Modern Manchuria*, 13.

### C. THE TERMINAL PORT OF HULUTAO

An essential feature of the scheme, and one which China hoped would achieve for her a dominant position in Manchuria, was the construction of an adequate Chinese harbor at Hulutao.

Hulutao (Calabash Island) is a small peninsula projecting about five miles into the Gulf of Liaotung. Next to Dairen it affords the best site in South Manchuria for a good harbor. A branch railroad seven miles in length connects it at Lienshan with the Peiping-Mukden Railway.<sup>31</sup> In the important qualities of water depth, wind direction, protection from typhoons, and winter navigability the site might be expected to prove satisfactory. Its relationship to the mainland ensures unlimited opportunity for desired commercial and industrial development. Although it is not conceivable that Hulutao could develop facilities equal to those of Dairen it has been freely predicted that the construction of this harbor would materially weaken the economic grip that foreign interests have obtained in Manchuria.<sup>32</sup>

For many years the Chinese authorities have interested themselves in Hulutao's possibilities. In 1908 General Chao Erh-sun appointed W. R. Hughes, a British engineer, to survey and locate the harbor site. Construction was begun in October, 1910, but the revolution interfered. Since that time there have been several attempts to resume work. In March, 1929, the Nanking government in cooperation with the Manchurian authorities took up the matter and on January 24, 1930, a contract extremely favorable to the Chinese was signed between the Peiping-Mukden Railway and the Netherlands Harbor Works Company. The work was to be completed by October 15, 1935. The sum of \$6,400,000 (gold) was to be paid from the earnings of the railway in monthly installments of \$95,000 (gold).<sup>33</sup> In reply to the British protest against the employment of railway funds for the Hulutao project when interest payments due British corporations were in arrears, the Chinese stated that the Hulutao program was a legitimate phase of Peiping-Mukden Railway development.<sup>34</sup> An

<sup>31</sup> A. T. Wang, "Hulutao," *Chinese Nation*, August 27, 1930:182, 195-196.

<sup>32</sup> C. Chen, "Construction of Hulutao Harbor Marks a New Era in Manchurian Progress," *China Weekly Review*, June 7, 1930:17; see also *ibid.*, February 15, 1930:405-406; Kingman, "Projected Chinese Port Will Foster Economic Competition," *San Francisco Chronicle*, April 6, 1930:2F; R. H. Akagi, *Understanding Manchuria*, 20.

<sup>33</sup> Chen, 17; A. T. Wang, 195.

<sup>34</sup> *Week in China*, June 14, 1930: 634 ff.; Toynbee, 1930:350.

elaborate ceremony commemorating the commencement of serious work on the new harbor was held on July 2, 1930.<sup>35</sup> A Japanese writer stated that "the harbor construction of Hulutao is a sharp dagger, as it were, pointed at the most vital point in Japan's economic interests in Manchuria and Mongolia."<sup>36</sup>

#### D. RAILWAYS BUILT FOR THE CHINESE BY THE JAPANESE 1925-1931

Certain roads which were built for China by the Japanese have constituted a part of the Chinese scheme for a comprehensive railway system in Manchuria. These include the Kirin-Changchun line and the Ssupingkai-Chengchiatun (with extensions to Taonan and to Tungliao) line which were built previous to 1925,<sup>37</sup> and the Taonan-Angangchi-Tsitsihar and Kirin-Tunhua roads, which have been built since. Over the Changchun-Kirin section the Japanese exercised a large measure of authority whereas over the others the Chinese held substantial control although not so complete as they desired. The following Japanese-built but nominally Chinese-owned railways were constructed during the 1925-1931 period.

*Taonan-Angangchi-Tsitsihar railroad.*—The Taonan-Angangchi section was built for the Chinese by the South Manchuria Railway Company under an agreement which provided that the road should be completed within two years. Each section was to be handed over when finished to the Mukden railway authorities. The traffic revenues were to be handled by the Chinese railway bureau. The director was to purchase land and materials with funds advanced by the Japanese. Purchases were to be made in the open market, but with preference given to Chinese if the value and price were equal. The cost was fixed at 12,920,000 yen. Upon completion the provincial government was to pay that sum to the South Manchuria Railway Company. Any amount remaining six months from the date of transfer of the line was to be turned into a loan for a forty-year period, with interest at 9 per cent. The contract could be terminated at any time within forty years by the complete payment of outstanding principal and interest. The loan was secured by a lien on the railway properties. The Japanese

<sup>35</sup> *China Year Book*, 1929-1930:171.

<sup>36</sup> M. Ouchi, "Manchuria Affairs in Brief," *Japan Magazine*, January, 1932: 114.

<sup>37</sup> Young, 140-142.

were to appoint an adviser to supervise all expenditures and revenues, and to countersign, with the director general, all documents relating to expenditures. The adviser might engage not more than two Japanese assistants.<sup>38</sup> Construction began in the early summer of 1925 and was completed December 1, 1926.<sup>39</sup>

Makuchi, the terminus of the Taonan-Angangchi line, is three miles from the Angangchi station on the Chinese Eastern Railway and eighteen miles from Tsitsihar, capital of Heilungchiang Province. A narrow gauge railroad between Angangchi and Tsitsihar has been in operation for a number of years. When the plan of extending the Taonan-Angangchi line to Tsitsihar was promulgated it was opposed by the Russians, who refused to grant a right of way across the Chinese Eastern Railway tracks. The Japanese turned negotiations over to the Chinese, who persisted in pressing the Soviet authorities for the necessary crossing permit. In 1927 Governor Wu, of Heilungchiang, stated that the road was to be built with Russian consent if that were procurable—otherwise despite Russian obstruction. By August of the same year permission was granted for the construction of a viaduct over the Chinese Eastern Railway tracks. This was completed for the Chinese by the South Manchuria Railway Company on December 8, 1928, and three days later traffic was opened.<sup>40</sup>

The Taonan-Angangchi line has not as yet proved a good economic investment. The Chinese were charged with setting the freight rates too high.<sup>41</sup> Although trains were run under Chinese management,

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<sup>38</sup> *China Year Book*, 1929-1930:352. The Japanese have claimed that the Manchurian government refused to appoint this adviser. In the case of the Ssuping kai-Chengchiatun-Taonan road the Japanese officials although appointed were, according to a Japanese writer, "cowed into submission by the Mukden militarists and had no power of initiative or supervision" (Kawakami, 65-66).

<sup>39</sup> Young, 210-212.

<sup>40</sup> "Chinese Railways for Manchuria," *China Weekly Review*, March 19, 1927:72; Young, "Railway Politics in Manchuria," *China Weekly Review*, April 16, 1927:185; Young, 212.

<sup>41</sup> *Manchuria Daily News*, Monthly Supplement, July 1, 1928:4.

Certain observers interpreted Japan's backing for the railroad as more of a strategic than an economic move, with possible future war with Russia as the main incentive (Washio, "The Soviet and Japan," *Trans-Pacific*, March 6, 1926:5).

Mr. Henry K. Norton, an American journalist, commented that such economic value as this railroad (and the Kirin-Huining railroad) might have, lay in their ability to win freight from the Chinese Eastern Railway to the South Manchuria Railway system. He estimated that not for years could these lines be expected to pay and termed them "essentially military roads in the sense that the demand for them is military and not economic" (Norton, *China and the Powers*, 114-118).

payments to the Japanese were never made.<sup>42</sup> Through traffic between Tahushan and Tsitsihar was attempted, but, dissatisfied with the limited control which they held over the Japanese-financed sections, the Chinese expressed determination to repay the Japanese loans as soon as possible.<sup>43</sup>

*The Kirin-Tunhua railroad.*—Construction for this extension of the Changchun-Kirin line was begun in June, 1926, and completed in November, 1928. The contract was made between the Minister of Communications in Peking and the South Manchuria Railway Company. This contract agreement of October 24, 1925, was met, when it became known, with an outburst of disapproval from the Chinese. As a result, on January 12, 1926, the Peking government declared the agreement null and void on the pretext that it had not received the approval of the Cabinet. At that time, however, Peking orders were being flouted by Chang Tso-lin in Mukden and construction work was continued without serious interruption.<sup>44</sup>

The cost of the road was to be 18,000,000 yen without discount. This amount was advanced by the Japanese for construction and equipment as the Chinese director-general requested. It was provided that if necessary the amount might be increased by agreement. Interest was fixed at 9 per cent. The Chinese director-general was to control the entire business of the line, but should engage a Japanese chief engineer from the South Manchuria Railway, who was to retire when construction was completed. This Japanese engineer under the director-general's direction was to attend to the construction work and to countersign all documents relating to funds. He might engage Japanese assistants; with the approval of the director-general he should do the purchasing. When Chinese materials were of equal desirability in quality and price they were to receive the preference, and in construction Chinese contractors were on the preferred list. Upon the completion of construction the director-general was to have full administrative authority under the general rules of Chinese state railways, but he should employ a Japanese chief accountant who would have charge of all accounts and would countersign all documents relating to receipts and expenditures, and whose tenure of office

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<sup>42</sup> *China Year Book*, 1931:168.

<sup>43</sup> Tung, 793.

<sup>44</sup> S. K. Ching, "The Kirin-Tunhua Railway and Japanese Expansion," *Pacific Affairs*, August, 1929:496.



should extend to the date upon which all loans had been repaid to the South Manchuria Railway. It was provided that if payment for construction of the railroad was not made within six months after the completion of the line, it might be made in installments within thirty years or by an earlier date. The Chinese were to have the right to retire the debt at any time. The railway's receipts were to be deposited equally in Chinese and Japanese banks. Before completion of the construction an additional cost of 6,000,000 yen was found necessary.<sup>45</sup> The new line was opened to traffic on October 10, 1928.<sup>46</sup> Contrary to the contract stipulation the Chinese authorities refused, so the Japanese maintain, to employ a Japanese chief accountant, and employed a Chinese in his place.<sup>47</sup>

It can be seen that only a fair start toward the realization of China's patriotically inspired plans for an adequate railway system in Manchuria had been made by the autumn of 1931. The Chinese lines already completed had been functioning only lamely, owing to lack of the funds needed to put them in first class condition. The port of Hulutao would not be completed until 1935 and the lines built for the Chinese by the South Manchuria Railway Company would not be completely under Chinese control until the immense debts incurred had been paid. These debts the Chinese authorities had taken no steps to retire. They refused to accept the statement of construction expenses which the Japanese presented.<sup>48</sup>

Despite the comparative lack of Chinese progress in the project the Japanese during 1930 and 1931 had been displaying rapidly increasing concern. They had made no strenuous effort to enforce the alleged 1905 ban on roads paralleling the South Manchuria system in the apparent hope that a working agreement with China would eliminate unfair competition. They feared preferential rates, discrimination in the transport of mail and salt, and political pressure on Chinese shippers to boycott the Japanese lines.<sup>49</sup> As late as August, 1931, Mr. Y. Matsuoka stated that the parallel roads had been protested as a mat-

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<sup>45</sup> *China Year Book*, 1929-1930:353.

<sup>46</sup> Young, 214.

<sup>47</sup> League of Nations Association of Japan, *Chinese Violations of Japanese Rights and Interests in Manchuria*, 2.

<sup>48</sup> Snow, 616; League of Nations Association of Japan, *Chinese Violations of Japanese Rights and Interests in Manchuria*, 2-3; Foreign Policy Association, *Railway Rivalries in Manchuria between China and Japan*, 34-35.

<sup>49</sup> *New York Times*, December 10, 1930:12.

ter of record but that, inasmuch as Manchurian progress justified additional lines, Japan was willing to be conciliatory and reasonable. He held that if China would cooperate all would prosper.<sup>50</sup>

In the latter part of 1930 the growing seriousness of the Chinese competition led Japan to exert some pressure, however, looking toward a satisfactory settlement. Mr. E. Kimura, a director of the South Manchuria Railway, was sent to Mukden to discuss matters. Foreign Minister Shidehara, addressing the Japanese Diet on January 21, 1931, took note of the situation in these words,

It is needless for me to repeat that we have no intention of seeking anything like unfair and selfish terms of settlement in disregard of China's legal position. Nor can it be believed that China on her part harbors a desire to reduce the South Manchuria Railway to ruin. Such a scheme, if ever contemplated, could hardly be capable of ultimate realization.<sup>51</sup>

Director Kimura's efforts to negotiate met with little success. The Japanese claimed that the Chinese lines, by using unfair methods such as levying arbitrary transit taxes on freights destined for the South Manchuria Railway system, the encouraging of labor strikes and of shippers' boycotts, were seriously affecting Japanese interests. In June, 1931, it was announced that the earnings of the South Manchuria had been cut nearly in half. This loss was due in part to the fall in the value of silver and to the general economic depression, but also, so the Japanese held, to the discriminatory Chinese competition.<sup>52</sup>

The first major step in the competitive activity of the Chinese lines had been to cut passenger and freight rates. A reduction of 23 per cent was made in the general passenger rate, and Chinese immigrants into North Manchuria were charged only 30 per cent of the usual rate. The freight charges on commodities routed through Yinkow were cut 30 per cent in addition to a reduction of 70 per cent in the transportation taxes. As a result the passage of freight through Yinkow showed a marked increase in 1930 and 1931. These rate reductions were the more revolutionary in view of the fact that they were payable in depreciated silver whereas the South Manchuria Railway rates were charged in gold yen.

<sup>50</sup> Matsuoka, *Trans-Pacific*, August 14, 1930:10.

<sup>51</sup> *New York Times*, January 22, 1931:5.

<sup>52</sup> S. Washio, *Trans-Pacific*, July 2, 1931:5; C. H. Peake, "The Clash of Arms in Manchuria," *Current History*, January, 1932:508; Kawakami, 62.

The Chinese authorities held that these reductions were perfectly legitimate economic measures and that in so far as they were directed at the South Manchuria Railway they were aimed at breaking down the monopoly status enjoyed by the Japanese system. Japan, however, maintained that the Chinese were showing discrimination in contravention of China's pledges in the Nine-Power Treaty to avoid discriminatory practices.

The Japanese lines sought to meet the competition by likewise reducing rates. On January 15, 1931, passenger rates for immigrants and laborers were reduced by half. In March the charges were changed from a gold to a silver basis, involving a reduction of over 40 per cent. Among the measures taken was the discharging of a considerable number of employees. Despite these efforts, however, the Japanese rates were still somewhat higher than those of the Chinese lines. This situation existed at the time of the Japanese military intervention of September, 1931.<sup>53</sup> "Japan is greatly concerned," a Japanese writer stated in the summer of 1931. "The crucial problem for the South Manchuria Railway is that equal treatment can hardly be expected from China. China's intentions are obviously to ruin the South Manchuria Railway."<sup>54</sup> The Japanese were convinced that, although the Chinese efforts to compete on an equal basis with the South Manchuria Railway system could not be truly effective until the construction of the port of Hulutao had been completed, the apparent Chinese determination to destroy Japan's economic ascendancy in South Manchuria could not well be ignored.

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<sup>53</sup> Foreign Policy Association, "Railway Rivalries in Manchuria between China and Japan," 39-40.

<sup>54</sup> Washio, *Trans-Pacific*, July 2, 1931:5.

### III

## CHINESE OPPOSITION TO JAPANESE RAILWAY DEVELOPMENTS IN MANCHURIA

### A. THE KIRIN-TUNHUA EXTENSION TO HUINING

Along with the Chinese program of constructing a railway system which might restore economic ascendancy to China went a sustained resistance to any further development of the Japanese railway program in Manchuria. Reports from time to time indicated that if free to do so Japan would like to extend her Manchuria communications network. New lines for which the Japanese were reported as exerting pressure included the Kirin-Tunhua extension to the Korean border; a line from Changchun northwest to Talai; a line from Taonan northwest to Solun; a line from Kirin north to Wuchang; a line from Huining north to Hailin; a line from Tungliao west to Jehol. Some of these duplicated projected railways which the Chinese had expressed intention of building themselves, and for the construction of no one of them was Japan able to gain Chinese consent. Fearing that the control over such roads would provide the Japanese with a dangerous hold upon Chinese territories, China blocked the desired developments.<sup>1</sup>

This Chinese unwillingness to allow Japan further to consolidate her position in Manchurian railway competition was especially discernible in connection with Japan's repeated attempts to extend the Changchun-Kirin line to the Korean border. The section to Tunhua, as has already been noted, was completed in 1928, but resistance to the completion of the last link proved so stubborn that Japan for a time allowed the project to remain quiescent.

The right to participate in the financing of a railroad from Kirin to Korea, should foreign capital be needed, was given to Japanese financiers under the terms of the Sino-Japanese convention of April 15, 1907, which had to do with the Hsinmintun-Mukden and the Kirin-Changchun railroads.<sup>2</sup> On September 4, 1909, in the Sino-

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<sup>1</sup> S. Y. L. Hu, "Japan's Contemplated Railway Program in Manchuria," *China Weekly Review*, March 16, 1929:95; Hsü, *The Manchurian Question*, 77; *Japan Weekly Chronicle*, October 25, 1928:522.

<sup>2</sup> MacMurray, 1:627.

Japanese treaty relating to the Chientao district, the Chinese conceded the right to build a railroad from Kirin to the Korean border where it would be connected with a Korean line at Huining.<sup>3</sup> In 1918 three Japanese banks obtained a definite contract for the construction of the Kirin-Huining extension.<sup>4</sup> The sum of \$10,000,000<sup>5</sup> was paid over to the Peking government in 1918.<sup>6</sup>

The Japanese have maintained that they had sound legal reasons for pressing the Chinese for permission to complete construction between Tunhua to Huining. China has repudiated the 1918 treaty, however, on the grounds that it was one of the Nishihara loan agreements which have at times been condemned even by the Japanese themselves.<sup>7</sup> As has been already shown the first section of the Kirin-Huining Railway, from Kirin to Tunhua, was completed under a separate and detailed agreement between the Chinese and the South Manchuria Railway Company.<sup>8</sup>

With the line completed to Tunhua, and with a light narrow-gauge Sino-Japanese railway running sixty-nine miles from Huining west to Tienpaoshan, there was still a mountainous stretch of approximately sixty miles over which rail had not been laid.<sup>9</sup> Awakened to what they felt to be an extremely dangerous development the Chinese began successfully to oppose the connecting of the two termini. In addition to fearing that the new road when operating would seriously compete with the Chinese Eastern Railway in which they possess a half-interest, the Chinese thought they detected a more sinister implication. They expressed the conviction that with the completion of this railway all of that part of Manchuria encircled by the Japanese-owned or controlled lines from Antung to Mukden to Changchun to Huining would become little better than Japanese territory.<sup>10</sup> An

<sup>3</sup> *Ibid.*, 1:796.

<sup>4</sup> MacMurray, 2:1430.

<sup>5</sup> Unless otherwise stated it may be understood that the sums quoted are in the Chinese currency.

<sup>6</sup> MacMurray, 2:1432.

<sup>7</sup> Hsü, "Questions Relating to Manchuria," *Chinese Nation*, October 28, 1931:678; *Japan Weekly Chronicle*, June 20, 1918; July 4, 1918; *Millard's Review*, August 10, 1918:413.

<sup>8</sup> *China Year Book*, 1928:265.

<sup>9</sup> South Manchuria Railway, *Report on Progress in Manchuria*, 1907-1928:46; Cf. T. C. Lin, *Political Aspects of the Japanese Railway Enterprises in Manchuria*, 45.

<sup>10</sup> Ching, 497; *Trans-Pacific*, February 28, 1929:14; Young, "Railway Politics in Manchuria," *China Weekly Review*, April 16, 1927:186-187.

American correspondent stated, "It is the general belief that in that triangle Japan sees her next colonial annexation."<sup>11</sup>

A widely circulated translation of an alleged secret memorial of Baron Tanaka to the Japanese Emperor was held by the Chinese to be a fair representation of Japanese aims for Manchuria.<sup>12</sup> The Japanese premier was shown to favor pushing ahead vigorously for the completion of the Tunhua-Huining section because Japanese control of the new railway would add immeasurably to Japan's national safety in that it would provide a line of communication into Manchuria less exposed than the South Manchuria Railway; because it would ensure Japanese control of the resources of North Manchuria; because its possession would facilitate the suppression of Korean insurrections across the Manchurian border; because it would place the exploitation of unexcelled timber and coal fields within Japanese hands.<sup>13</sup>

After the convening in June-July, 1927, by Premier Tanaka, of an Oriental Conference in which the principles of his "Positive Policy" were outlined, a Japanese demand was made upon both Mukden and Peking that prompt permission should be granted for the completion of the railway to Huining. By August, when this and other features of Premier Tanaka's "Positive Policy" became generally known in China, Chinese resentment began vigorously to manifest itself. Anti-Japanese associations began to multiply and nation-wide demonstrations were numerous. Chinese opposition to the Japanese demands was especially noticeable in Manchuria. In Mukden merchants' organizations served notice on all Chinese firms to boycott Japanese goods. Chinese police went from door to door asking that anti-Japanese signs be posted or carried in protest parades.<sup>14</sup>

Early in August Mr. Yoshida, consul-general at Mukden, lodged a strong protest "in view of the growing gravity of the situation," with

<sup>11</sup> Snow, 609. Japanese spokesmen have, in the past, frequently denied any intention whatsoever of extending their political control in Manchuria. Unquestionably, however, there have been powerful chauvinist individuals and societies planning and working for the seizure of Manchuria when the opportunity presented itself. Before the end of 1931 they had supplanted the Liberals in the determining of Japan's course in northeast Asia.

<sup>12</sup> The Japanese have branded the Tanaka Memorial a forgery (Kawakami, 145-146; T. Inukai, in Kawakami, v-xii). Interesting revelations of Japanese aggressive designs in Manchuria have recently been brought to light by the Japanese themselves (New York Times, April 6, 1932:3; April 24, 1932:2N).

<sup>13</sup> Memorials presented by Premier Tanaka to His Majesty the Emperor of Japan outlining the "Positive Policy" in Manchuria, 15-21.

<sup>14</sup> Foreign Policy Association, "Recent Japanese Policy in China," 237-238.

the Mukden authorities. Japanese commercial interests were held to be seriously endangered, and it was intimated that Japan was ready to take whatever measures were necessary to remedy matters.<sup>15</sup>

Anti-Japanese activities, however, became even more pronounced. On September 4, 1927, the "Society for Support of Diplomacy," representing many of the leading Chinese officials and business men, promoted a demonstration on a scale unprecedented in Manchuria. Japanese residents were so intimidated that they made a plea that Japanese soldiers be detailed within the city to escort Japanese children to and from school. All Japanese commercial houses were forced to close their doors. During the morning parade, in which about 20,000 people participated, the windows of Japanese stores were broken and other damage was done. Chinese flags were everywhere displayed.<sup>16</sup> On September 6 Civil Governor Mo Tê-hui in Mukden received a demand from the Japanese government that the agitation be immediately stopped. Minister Yoshizawa also took the matter up with Chang Tso-lin in Peking.<sup>17</sup>

On September 10, in Mukden, a Japanese motor-car driver was mobbed and a Japanese flag torn down. Stones were thrown at Japanese police who came to restore order. Anti-Japanese posters, provided by the "Three Eastern Provinces Association for the Realization of True National Aspirations," were distributed. On September 11 a Chinese scribbled the words, "Down with imperialism" on the back door of a Japanese store. Japanese police were stoned when they appeared to arrest him, and a collision occurred between them and the Chinese mob which gathered.<sup>18</sup>

These Manchurian demonstrations were not confined to Mukden. In Taonan on September 13 about 4,000 students and 8,000 other Chinese carried on such vigorous anti-Japanese activities that Japanese residents were given instructions to prepare to withdraw to places of safety.<sup>19</sup> Great Chinese indignation against Chang Tso-lin was aroused by his orders that opposition to Japan in Manchuria be discontinued.<sup>20</sup> After open demonstrations were successfully suppressed, public disapproval of granting Japan's wishes regarding the Kirin-Tunhua exten-

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<sup>15</sup> *Japan Weekly Chronicle*, August 18, 1927:170.

<sup>16</sup> *Ibid.*, September 15, 1927:270-271.

<sup>17</sup> *Japan Weekly Chronicle*, September 15, 1927:269.

<sup>18</sup> *Ibid.*, September 22, 1927:307.

<sup>19</sup> *Ibid.*, 308.

<sup>20</sup> *Ibid.*, 307.

sion still remained strong, and again expressed itself openly, as will be seen, in 1928.

Marshal Chang Tso-lin was assassinated in June, 1928. When the Japanese pressed his son and successor, Chang Hsueh-liang, for permission to proceed with the railway construction, they insisted that a secret agreement had been reached with Marshal Chang Tso-lin a short time before his death, according to which the Kirin-Tunhua extension should be completed by May 11, 1929. Marshal Chang Hsueh-liang was reported to have repudiated this agreement on the grounds that there had been a flaw in the procedure of its drawing up.<sup>21</sup> Even had he not been himself averse to granting the Japanese demand he would have found it difficult, as newly appointed ruler of Manchuria, to flout Chinese public opinion in the matter. Not only had he witnessed the demonstrations in 1927, but when it became known in the autumn of 1928 that the Japanese were again demanding the right to complete the link between the South Manchuria Railway and the Japanese system in Korea, the attitude of the Chinese public was again made clear.

Anti-Japanese demonstrations began in November. The patriotism of Marshal Chang Hsueh-liang was called into question by certain student groups. In the course of impressive demonstrations in Mukden on November 10 Marshal Chang was moved to inform the students of Northeastern University that, "I shall uphold Chinese suzerainty in the face of all difficulties and will give my word that I shall not sell my country." In Harbin anti-Japanese demonstrations over a period of several days were so serious that Chinese police finally killed several students in the attempt to establish order. In Peiping, in Nanking, and in other parts of China demonstrations took place in protest against allowing Japan to proceed with the road building.<sup>22</sup>

Unable to gain Marshal Chang's consent to proceed on the railway construction, and not considering it expedient to force the matter, the Japanese allowed the matter to rest for nearly three years.<sup>23</sup> The

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<sup>21</sup> Young, 215.

<sup>22</sup> *Japan Weekly Chronicle*, November 22, 1928:636; November 29, 1928:661; December 13, 1928:726.

<sup>23</sup> The Japanese leaders apparently grew to appreciate better the value of Chinese good will. For example, in the summer of 1929 Mr. J. Yamamoto who, upon taking the presidency of the South Manchuria Railway in the autumn of 1927, had advocated aggressive measures, publicly stated that Japan would do well to humor the Chinese (*Trans-Pacific*, June 20, 1929:14; Toynbee, 1928:436).



completion of the road between Tunhua and the Korean border would be clearly of great significance in the economic and commercial as well as the political future of Manchuria. The fact that this railway had not yet been completed by the summer of 1931 was almost entirely an effect of Chinese nationalism.

#### B. CHINESE OPPOSITION TO THE MORGAN LOANS TO THE SOUTH MANCHURIA RAILWAY COMPANY

Not only did the Chinese, in the period under discussion, begin to fight any extension of South Manchuria Railway Company interests, but there was increasing attack upon the railway itself, the concession for which China was obliged by threat of force in 1915<sup>24</sup> to extend to the year 2002. Chinese societies were organized to devote themselves to the cause of regaining the railway and the Leased Area. A Japanese correspondent in Manchuria in 1929 stated that this determination on the part of the Chinese was developing rapidly. Although recovery seemed remote the Chinese government gave indication that it would call attention to Japan's questionable legal position at every opportunity. Nanking's minister at Washington, C. C. Wu, pressed this point at the Williamstown Institute in August, 1928.<sup>25</sup> In view of this Chinese attitude, Japanese disquiet at the time of the Chinese seizure of the Chinese Eastern Railway in July, 1929, was doubtless increased by the knowledge that, if successful against Soviet Russia, a similar *coup* might some time be attempted against the South Manchuria Railway.

The nationalist attitude toward the Japanese railway interests in Manchuria was well indicated late in 1927 when it was announced in November that Mr. Thomas W. Lamont, a member of the Morgan banking firm in the United States, had practically completed negotiations for a loan to the South Manchuria Railway Company. President Yamamoto of the railway stated that the loan would amount to \$30,000,000 (gold) and would be used in part for the refunding of a higher priced loan which would shortly come due, and the remainder

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<sup>24</sup> The question of the validity of the 1915 treaty is discussed comprehensively in Young, *International Legal Status of the Kwantung Leased Area*, Chaps. VIII-X.

<sup>25</sup> *Manchuria Daily News*, Monthly Supplement, April 1, 1929:11; *New York Times*, August 20, 1928:23; August 22, 1928:15.

for additional rolling stock, heavier rails, and the development of the company's collieries and fertilizer system.<sup>26</sup>

Immediately upon the matter being made public Chinese protests became vehement. In Mukden 40,000 people participated in a demonstration.<sup>27</sup> On November 23 a group of well-known Chinese financiers and business leaders cabled Washington opposing the loan on the grounds that the South Manchuria Railway was an "imperialistic Japanese political and economic instrument."<sup>28</sup> The Nanking Ministry of Foreign Affairs cabled Washington as follows:

Chinese people have heard with alarm the imminent flotation of South Manchuria Railway loan in America and apparent acquiescence of the American Government. It is well known to the world and to none better than the American Government that the railway is not a mere industrial enterprise but the symbol and instrument of alien domination over a large and rich portion of Chinese territory. Japan sought to prolong that domination by means of the notorious twenty-one demands. If America, which repeatedly demonstrated its sympathy with China in connection with those demands, were now to lend means to strengthen that domination, the Chinese people would be at a loss to understand the fundamental change of attitude on the part of the American Government.<sup>29</sup>

General Yang Yu-ting of Chang Tso-lin's staff, a Manchurian leader who had always been supposedly very friendly to Japan, came out with a verbal blast against the loan. He was reported as stating that there was already sufficient "Japanese influence in Manchuria without the loan."<sup>30</sup>

Apparently as a direct result of the Chinese protests, the Morgan interests in the United States did not consummate the transaction. As in the case of the Kirin-Tunhua extension to Huining, Chinese nationalism had proved sufficiently potent to obstruct the foreigner in his attempts further to develop his railway interests in South Manchuria.

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<sup>26</sup> *Week in China*, December 10, 1927:3-5.

<sup>27</sup> Hsü, *Manchurian Question*, 79.

<sup>28</sup> *New York Times*, November 24, 1927:1.

<sup>29</sup> *United States Daily*, December 7, 1927:2, quoted in Blakeslee, *The Pacific Area*, 114.

<sup>30</sup> *Week in China*, December 3, 1927:3.

## IV

### REASONS FOR CHINESE DISSATISFACTION WITH STATUS OF THE FUSHUN MINES

#### A. IMPORTANCE OF THE MINES

The South Manchuria Railway Company's right to exploit the Fushun coal mines in Fengtien Province until their exhaustion is another matter which has stimulated increasing disquiet on the part of the Chinese. In his book, *China and Her Political Entity*, Professor Hsü Shu-hsi portrays Japan's hold upon the Fushun mines as one of the shackles that China will throw off when she becomes stronger.<sup>1</sup> Chinese dissatisfaction in the matter has been expressed whenever the right opportunity offered.<sup>2</sup> As Chinese nationalists look forward to the industrialization of China as a constituent feature of the rejuvenation of their country, it is natural that they view with concern the sight of Japan holding one of their most important coal areas.

The coal seams of the Fushun mines are held to be the thickest in the world,<sup>3</sup> and their reserves estimated at about one billion tons.<sup>4</sup>

One of the most costly and valuable features of the Japanese exploitation of the Fushun property is their discovery of a method to produce oil from the immense deposits of oil shale, which cover an area of ten square miles. The shale deposits, with an oil content of about 6 per cent, are estimated at over five billion tons.<sup>5</sup> Consistent with their general campaign to obstruct the Japanese the Chinese authorities claimed that the development was illegal on the grounds that the South Manchuria Railway Company had not been specifically granted a concession to operate an oil plant.<sup>6</sup>

<sup>1</sup> Hsü, 308-309, 430.

<sup>2</sup> J. B. Condliffe, *Problems of the Pacific* (1929), 175.

<sup>3</sup> *China Year Book*, 1928:78.

<sup>4</sup> For a discussion of the physical features of the Fushun mines see Imperial Japanese Government Railways, *Official Guide to Eastern Asia*, 1913:109-112; Kinney, *Modern Manchuria*, 69-70; W. Smith, *Coal and Iron in China*, 28-73; *Japan Year Book*, 1931:506; R. R. Gibson, *Forces Mining and Undermining China*, 40-46; H. F. Bain, *Ores and Industry in the Far East*, Chap. II.

<sup>5</sup> "New Fushun Shale Oil Plant," *Far Eastern Review*, February, 1929:58-63.

<sup>6</sup> B. Y. Lee, "Japanese Industrial Expansion in China," *Chinese Nation*, November 26, 1930:542; A. Narita, "A Table Showing Japanese Rights and Interests in Manchuria and Mongolia with Chinese Infringements of Them up to September 30, 1931," *Japan Magazine*, January, 1932:132.

The South Manchuria Railway in 1930 valued its investment in Fushun at over 112,000,000 yen. Nearly eight million tons of coal and by-products were taken from the mines in the year ending in March, 1930, and the annual average of coal output for several years has been seven million tons. These mines are the second industry in importance to Japan in Manchuria and their possession explains in part the tenacity with which Japanese diplomacy has undertaken to protect its vested interests in Manchuria.<sup>7</sup> The Chinese attempt to levy additional taxes on the export of Fushun coals in 1931 was held by the Japanese to be entirely illegal.<sup>8</sup>

#### B. TREATY STATUS OF THE MINES AS A BASIS FOR CHINESE DISCONTENT

The Chinese dissatisfaction with the Japanese claim to the Fushun mines has been based both on the treaty status and on the manner in which the mining areas were actually obtained. The Chinese claim that coercion entered into certain treaty clauses when Russian rights were taken over in 1905. It seems appropriate and desirable to go rather fully into the history of these matters. A study of all the treaties and agreements which concern the problem seems to reveal that Japan's position has full legal status, but that possibly there is some basis for the Chinese claim of coercion.

The Agreement of September 8, 1896, between China and the Russo-Chinese Bank, dealt with the construction and operation of the Chinese Eastern Railway. Article 6 stated:

The lands actually necessary for the construction, operation, and protection of the line, as also the lands in the vicinity of the line necessary for procuring sand, stone, lime, etc., will be turned over to the Company freely if these lands are the property of the State; if they belong to individuals they will be turned over to the Company either upon a single payment or upon an annual rental to the proprietors at current prices.<sup>9</sup>

In the Sino-Russian Treaty of March 27, 1898, regarding the lease of the Liaotung Peninsula, Article VII reads:

The Chinese Government agrees that the concessions granted in 1896 to the Chinese Eastern Railway from the date of the signature of the present agree-

<sup>7</sup> Young, "Economic Factors in Manchurian Diplomacy," *Annals of American Academy of Political and Social Science*, November, 1930:297; South Manchuria Railway Company, *Second Report on Progress*, 118-122.

<sup>8</sup> *Trans-Pacific*, November 26, 1931:314; South Manchuria Railway Company, *Instances of China's Violations of Treaties and Agreements*, 7; Kawakami, 90.

<sup>9</sup> MacMurray, 1:76.

ment shall be extended to the connecting branch which is to be built from one of the stations of the main line to Taliawan. Consent to the construction of the railway on the basis indicated shall never under any form serve as a pretext for the seizure of Chinese territory or for any encroachment on the sovereign rights of China.<sup>10</sup>

In the Sino-Russian Treaty of July 6, 1898, concerning the southern branch of the Chinese Eastern Railway Article IV states: "The Company shall also be allowed in the regions traversed by this branch line to mine such coal as may be needed for the construction or operation of the railway."<sup>11</sup>

Articles V and VI in the Portsmouth Peace Treaty of September 5, 1905, between Russia and Japan, were the next to concern the Fushun problem. Article V reads:

The Imperial Russian Government transfer and assign to the Imperial Government of Japan, with the consent of the Government of China, the lease of Port Arthur, Talien, and adjacent territory and territorial waters and all rights, privileges and concessions connected with or forming part of such lease, and they also transfer and assign to the Imperial Government of Japan all public works and properties in the territory affected by the above mentioned lease.

Article VI reads:

The Imperial Russian Government engage to transfer and assign to the Imperial Government of Japan, without compensation and with the consent of the Chinese Government, the railway between Changchun and Port Arthur, and all its branches, together with all rights, privileges, and properties appertaining thereto in that region, as well as all coal mines in the said region belonging to or worked for the benefit of the railway. The two High Contracting Parties mutually engage to obtain the consent of the Government of China mentioned in the foregoing stipulation.<sup>12</sup>

In the Sino-Japanese Treaty of December 22, 1905, Articles I and II are as follows:

Article I. The Imperial Chinese Government consent to all the transfers and assignments made by Russia to Japan by Articles 5 and 6 of the September 5, 1905, Treaty.

Article II. The Imperial Japanese Government engage that in regard to the leased territory as well as in the matter of railway construction and exploitation they will, so far as circumstances permit, conform to the original agreement concluded between the Chinese Government and the Russian Government. In case any question arises in the future on these subjects the Japanese Government will decide it in consultation with the Chinese Government.<sup>13</sup>

<sup>10</sup> *Ibid.*, 1:120-121.

<sup>11</sup> MacMurray, 1:155.

<sup>12</sup> *Ibid.*, 1:523.

<sup>13</sup> MacMurray, 1:549.

Certain secret "protocols" were attached to the treaty of December 22, 1905. Article 6 (summarized) stated that "with regard to the mines in the Province of Fengtien appertaining to the railway, whether already worked or not, fair and detailed arrangements shall be agreed upon for mutual observance."<sup>14</sup>

On August 1, 1906, the Japanese government issued an order regarding the South Manchuria Railway. Article 4 stated:

For the convenience and the profit of the railways the Company may engage in the following accessory lines of business; mining, especially the operation of the coal mines at Fushun and Yuentai.<sup>15</sup>

On September 4, 1909, a Sino-Japanese treaty contained the following clauses:

Article 3: In regard to coal mines at Fushun and Yuentai the governments of Japan and China are agreed as follows:

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

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

Article 4: All mines along the Antung-Mukden railroad and main line of the South Manchuria Railway, excepting those of Fushun and Yuentai shall be exploited as joint enterprise of Japanese and Chinese subjects.<sup>16a</sup>

Article 14: These detailed regulations shall be effective for 60 years from date of their enforcement. If when this period is reached the mines are not exhausted the period shall be extended.<sup>16</sup>

It is this 1909 treaty in which China clearly grants Japan the right to exhaust the mines concerning which the question of coercion has been chiefly raised. This aspect of the problem will be discussed in the next section.

### C. POLITICAL HISTORY OF THE FUSHUN MINES.

The Fushun mines had been considered by Russia as appertaining to her railway concessions in Manchuria, and when Japan took over Russian rights in 1905, as a result of the Portsmouth Peace Treaty with Russia and the Peking Treaty with China, she considered the Fushun mining areas to be rightfully included. However, as has been noted, a distinction was made in the original agreements between

<sup>14</sup> *Ibid.*, 550.

<sup>15</sup> *Ibid.*, 557.

<sup>16a</sup> MacMurray, 1:790.

<sup>16</sup> *Ibid.*, 1:792-793.

China and Russia as between rights acquired on state land and those on private property. China therefore contended that Russia had legally held only about half of the mining areas which had been turned over to Japan, the rest having been forcibly taken from its rightful Chinese owners.<sup>17</sup> A British subject, who was in Manchuria on occasions during the period under consideration, states that "in the matter of coal mines Japan has acted and is acting *ultra vires*."<sup>18</sup> He maintained that the Portsmouth Treaty only intended that properties belonging to the Chinese Eastern Railway in ceded areas should be inherited by the Japanese, and could not be cited as authority for dispossessing Chinese mine owners. The Fushun coal-bearing belt around the upper Hun River did not belong to the Chinese Eastern Railway or the Russo-Chinese Bank. Of the three areas worked only one was really the property of the Russian concessionaires. One Chinese concession owner in the area had borrowed money, prior to the Russo-Japanese war, from the Russo-Chinese Bank. Another Chinese group in the Fushun area was quite independent until it found the Japanese in possession. The writer stated:

Relying on the impotence of the Chinese capitalists in question they [the Japanese] have purposely shut their eyes and drowned all protest by pointing to the Portsmouth Treaty. The indefensibility of such actions must be patent to all observers; and it must inevitably find its reward, no matter whether the expropriated Chinese are compensated or not.<sup>19</sup>

The historical record of Fushun developments, upon which the Chinese chiefly base their protest against Japanese exploitation of the mines, is found in the documents and maps relating to Manchuria under the administration of Governor Hsü Shih-chang, 1907-1908, which he edited himself in 1911. This account is as follows: In 1902 two competing Chinese merchants were granted governmental permission to mine coal at Fushun. One of them was obliged to admit the Russo-Chinese Bank as a shareholder in order to borrow \$60,000. This concessionaire then bought out the other competing Chinese who held the concession to mine at Fushun, and applied to the Peking government through the military governor of Fengtien Province for permission to incorporate. Since a foreign interest was involved, the

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<sup>17</sup> K. Asakawa, "The Manchurian Conventions," *Yale Review*, November 1, 1909:262.

<sup>18</sup> B. Simpson, *Coming Struggle in Eastern Asia*, 320.

<sup>19</sup> Simpson, 321.

military governor was advised to get special dispensation from the Emperor. The outbreak of the Russo-Japanese War caused an abeyance in proceedings.

During the conflict the Russians appropriated the property in question and built a branch railway in order to facilitate transportation of the coal which was being mined. With a change in military fortunes the Japanese occupied the territory. After the war, on the petition of the Chinese concessionaire, Peking requested restoration by Japan. The Japanese minister, after referring the matter to Tokyo, replied in April, 1907, that the property was held to be part of the Russian rights which had been passed over to Japan in accordance with the Treaty of Portsmouth. At this same time the Japanese were accused of having occupied three additional small coal mines<sup>20</sup> about three miles from Fushun worked by Chinese other than the concessionaires already referred to. There would seem to be very legitimate grounds for doubt as to whether or not the Chinese Eastern Railway was in legal possession of the several concessions operated by them at Fushun before and during the Russo-Japanese War.<sup>21</sup>

#### D. THE RELATED CASE OF THE ANTUNG-MUKDEN RAILROAD

In studying the history of the Fushun mine controversy it seems essential to note the developments in respect to the Antung-Mukden railroad. This was first built by the Japanese during the Russo-Japanese War for military purposes. It was a narrow-gauge line, 188 miles in length. By Article 6 of the Additional Agreement of December 22, 1905, China gave Japan the right to "maintain and work the military railway line constructed between Antung and Mukden and to improve said line so as to make it fit for the conveyance

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<sup>20</sup> A related case is that of the Yuentai mines. In that district there were ten coal beds, the original working of which dated back to the eighteenth century. In 1900 five of these workings were leased by their owners to some Russian concessionaires. In 1901 four of the remainder were exploited by some Chinese merchants and one by the provincial government of Fengtien. When the Japanese replaced the Russians they closed the Russian mines, but left the Chinese in operation after verifying them on a map carried by the Japanese commandant. In July, 1906, the Japanese appropriated the Chinese-owned mines other than the one owned by the Fengtien government. The Mukden government protested to the Japanese Consul-General there, but without avail.—Hsü, 309-310.

<sup>21</sup> Young, *Japanese Jurisdiction in South Manchuria Railway Areas*, 158-163; cf. L. Lawton, *Empires of the Far East*, 2:1251-1253.



of commercial and industrial goods of all nations." The improvements were to be completed within three years, and after fifteen years therefrom "the said railway shall be sold to China at a price to be determined by appraisalment of all its properties by a foreign expert who will be selected by both parties."<sup>22</sup>

When the Japanese were ready to commence construction they found the Chinese officials unwilling to approve the new right of way until certain matters having to do with the width of the gauge and the policing of the road were settled.<sup>23</sup> The Chinese were especially insistent that the railway policing should be Chinese controlled, as they sought to avoid the extension of a camouflaged Japanese military control in Manchuria.<sup>24</sup> Late in 1908 the controversy had not yet been settled. Japan demanded that, since the delay had been caused by the Chinese, the three-year time limit should be extended. The Chinese demurred. They offered to submit the whole question to the Hague Tribunal. On the grounds that this would necessitate further delay, Japan refused.<sup>25</sup>

Japan, in order to compete more effectively with the Russian railway program in North Manchuria, now grew extremely anxious to complete the connection between the South Manchuria Railway and the Korean national system. In January, 1909, the Japanese proposed a joint survey of the new route. The Chinese accepted and the survey was carried out. The Chinese then again insisted on a settlement in their favor on the matter of policing. On June 24, 1909, in reply to Japanese demands that permission to proceed be granted, the Chinese reiterated their position. They expressed willingness to waive the time limit clause, but stood firm in the intention to avoid what, under the guise of railway policing, might mean a dangerous enhancement of Japan's military grasp upon South Manchuria.<sup>26</sup>

At about this time, according to a foreign writer on Manchurian affairs, the daily press in Europe and the United States began to record the apparently inexplicable movement of Japanese troops from various parts of Korea and Manchuria toward the mouth of the Yalu

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<sup>22</sup> MacMurray, 1:549.

<sup>23</sup> P. J. Treat, *The Far East*, 406.

<sup>24</sup> Hsü, 320-322.

<sup>25</sup> Treat, 407.

<sup>26</sup> Young, *Japanese Jurisdiction in the South Manchuria Railway Areas*, 189-192.

River.<sup>27</sup> Then on August 7, 1909, Reuters News Agency reported that Baron Ijuin, Japanese minister in Peking, had informed the Chinese government that Japan would proceed with the work independently.<sup>28</sup> This report was seen immediately to be true. Japan claimed that China had been pursuing her characteristic policy of procrastination and obstruction. Consul-General Eitake in Shanghai publicly stated that the Chinese had peremptorily insisted that no broadening of the gauge would be permitted.<sup>29</sup> The Chinese Ministry of Foreign Affairs replied the next day denying that there had been refusal to allow broadening of the gauge, and maintaining that the Chinese demand had been merely that the gauge of the new road conform to the Chinese railway system, which was of standard gauge.<sup>30</sup> On August 6 construction on the Antung-Mukden line was begun and the Japanese Prime Minister issued formal sanction for the proceeding.<sup>31</sup> Japanese troops were dispatched to several points.<sup>32</sup> Reports from Tokyo indicated that Japan had no intention of surrendering the right to police the road.<sup>33</sup>

Finding that no foreign Power manifested any intention of resisting the Japanese *tour-de-force* the Chinese government capitulated a few days later.<sup>34</sup> On August 19, 1909, the Japanese consul-general in Mukden and the Manchurian viceroy drew up an agreement wherein the Chinese gauge demands were met, but no mention was made of the military guard question. The Chinese then asked for a joint commission to proceed with the railway project, but did not gain their point.<sup>35</sup> With the Chinese prince-regent thoroughly cowed, apparently, by the Japanese attitude and by the display of force on the Yalu and elsewhere, a treaty was signed on September 4, 1909, in which China surrendered the points in which Japan was chiefly interested.<sup>36</sup> According to one commentator, China "yielded to her neighbor under the pressure of the knife at her throat."<sup>37</sup> It was in

<sup>27</sup> S. Tonjoroff, "Aggressive Japan," *World Today*, November, 1909:1200.

<sup>28</sup> *North China Herald*, August 14, 1909:361.

<sup>29</sup> *Ibid.*, 389.

<sup>30</sup> Hsü, 323.

<sup>31</sup> P. Clyde, *International Rivalries in Manchuria*, 148.

<sup>32</sup> Shaw, 796.

<sup>33</sup> *North China Herald*, August 21, 1909:417.

<sup>34</sup> Tonjoroff, 1201.

<sup>35</sup> Clyde, 148.

<sup>36</sup> Hsü, 323; *North China Herald*, September 11, 1909:605.

<sup>37</sup> Tonjoroff, 1202-1203.

this treaty that the Chinese government recognized the right of Japan to hold and operate the Fushun mines for sixty years or until exhausted. Anti-Japanese demonstrations occurred in several cities, but at Japanese insistence were suppressed by the Chinese authorities.<sup>88</sup> Those responsible for China's foreign policy appeared thoroughly intimidated.

Whatever be the right or wrong of the existing status of the Fushun mines the increase of Chinese nationalistic activities in Manchuria inevitably brought the matter to public attention. A central aim of Chinese nationalism, expressed frequently both officially and unofficially, has been the abrogation of foreign concessions disadvantageous to China. The Fushun concession has been considered to fall within this category. As in the case of the 1915 treaty which extended Japan's hold upon South Manchuria, the presence of coercion in the 1909 treaty is deemed by the Chinese to provide cause for its denouncing. Having full legal claim to the property, the South Manchuria Railway Company, of course, has had no thought of discontinuing its exploitation of the mines. Japan no doubt hopes that the creation of an independent Manchurian state which is friendly to herself will automatically end Chinese opposition to unmolested Japanese working of the Fushun areas.

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<sup>88</sup> *North China Herald*, September 25, 1909:706, 709-710.

At a preliminary session at Paotingfu of the Provincial Assemblies, called in conformity with the proposed Constitution, it was found necessary to suppress some of the speakers who insisted too strenuously that the more important concessions to Japan be canceled. The *North China Daily News*, representing the foreign point of view in China, stated, "it may be in the distant future that Japan will be found to have lost more than she has gained by her ruthless action. Nature as well as the circumstances of her advent to greatness clearly designed her to be the helpmate and counsellor of the neighboring Empire. The advantages of that position she has deliberately thrown away by a series of hard bargains, which it is not in Chinese nature to forget" (Lawton, 2:1206).

## PROBLEM OF FOREIGN RAILWAY GUARDS IN MANCHURIA

A. THE CHINESE PROTEST AGAINST CONTINUED STATIONING OF  
JAPANESE RAILWAY GUARDS IN SOUTH MANCHURIA

No doubt it was inevitable that the growing nationalistic consciousness in China would revive the long maintained demand that the policing of railways in Chinese territory be under Chinese administration. This question which was emphasized so strongly by the Chinese delegation at the Washington Conference in the winter of 1921-1922, the Chinese consider of great importance. As at the meeting of the Institute of Pacific Relations in 1929, Chinese nationalists have used every opportunity to urge the Japanese withdrawal of railway guards as an important step toward a solution of existing Sino-Japanese misunderstanding.<sup>1</sup>

The Chinese feel that they have demonstrated on the Chinese Eastern Railway and other roads in which there is foreign interest that they are capable of performing the policing task satisfactorily. They have maintained that even with the guards withdrawn the Japanese position in Manchuria would not be materially weakened, since Japan's military forces in the Leased Area, and in Korea and Japan could be, if needed, quickly brought into action. They have insisted that a return of this railway policing to China would so improve relationships that other and even more important problems might then be attacked with hope of solution.<sup>2</sup>

This problem of Japanese railway police in Manchuria, like that of the Fushun mines, may not be so important or pressing as some others discussed in this study. But the fact that since 1906 never a year has passed without provocative killings of Chinese or Japanese indicates that it cannot be ignored. As part of the situation which

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<sup>1</sup> Condliffe, 204; T. C. Achilles, *Trans-Pacific*, November 14, 1929:17.

<sup>2</sup> *Proceedings* of the Institute of International Relations, 1930:200.

Mr. Matsuoka, a prominent Japanese leader who has been previously quoted, at the Institute of Pacific Relations held in Kyoto, was reported to have stated that the time when this step might be taken was drawing nearer (Achilles, *loc. cit.*).

has fostered Sino-Japanese friction, it seems desirable, therefore, to review the history of foreign railway policing in Manchuria and of Chinese attempts to bring it to an end.<sup>5</sup>

## B. LEGAL AND HISTORICAL BASIS FOR THE EXISTING SITUATION

In the Sino-Russian treaty of September 8, 1896, concerning the construction and operation of the Chinese Eastern Railway, Article 6 gave the Company "the absolute and exclusive right of administration" of its lands. No specific right was given Russia to police the railway zone. On the other hand, Article 5 stated that "the Chinese Government will take measures to assure the safety of the railway and of the persons in its service against any attack."<sup>6</sup>

The Russian government arbitrarily and despite Chinese protests interpreted its right of administration as implying power to appoint its own police. On December 4, 1896, the Russian government sanctioned the statutes of the Chinese Eastern Railway. In the matter of railway protection these statutes recognize the right of the Chinese government to insure the safety of the railway, but stipulated that "the preservation of law and order on the lands assigned to the railway and its appurtenances shall be confided to police agents appointed by the Company."<sup>6</sup> The Chinese always held this action illegal.

In the Sino-Russian convention for the lease of the Liaotung Peninsula of March 27, 1898, the concessions granted Russia in 1896 were extended to the railway branch to be built from the main line south to Dairen.<sup>6</sup>

In February, 1901, the Russian government sought to obtain, among other provisions, Chinese consent for the maintenance of a Russian railway guard along the Chinese Eastern Railway. To this Li Hung-chang refused to accede.<sup>7</sup>

In the Russo-Japanese Portsmouth Treaty of September 5, 1905, wherein the Chinese Eastern Railway south of Changchun was transferred by Russia to Japan, Article I of the Annex read: "The High

<sup>5</sup> Young, *Japanese Jurisdiction in South Manchuria Railway Areas*, 261; Hsü, "Questions Relating to Manchuria," *Chinese Nation*, October 28, 1931:673-674.

<sup>6</sup> MacMurray, 1:74.

<sup>6</sup> *Ibid.*, 1:84.

<sup>6</sup> MacMurray, 1:119.

<sup>7</sup> Young, 22.

Contracting Parties reserve to themselves the right to maintain guards to protect their respective railway lines in Manchuria. The number of such guards shall not exceed fifteen per kilometre."<sup>8</sup>

In the Sino-Japanese treaty of December, 1905, signed in Peking, China agreed to the Russian transfers and assignments to Japan stipulated in the Portsmouth Treaty. In Article II of an additional agreement to the Peking Treaty it was stated:

In view of the earnest desire expressed by the Imperial Chinese Government to have the Japanese and Russian troops and railway guards in Manchuria withdrawn as soon as possible, and in order to meet this desire, the Imperial Japanese Government, in the event of Russia agreeing to the withdrawal of her railway guards, or in case other proper measures are agreed to between China and Russia, consent to take similar steps accordingly. When tranquillity shall have been reestablished in Manchuria and China shall have become herself capable of affording full protection to the lives and property of foreigners, Japan will withdraw her railway guards simultaneously with Russia.<sup>9</sup>

China's recognition of Japan's right to withdraw her guards conditionally would seem to imply her consent to their use in the meantime. The Chinese claim, however, that no Chinese sanction was given or meant.

The so-called secret "protocols" attached to the Peking treaty of 1905 apparently contained a promise by the Japanese plenipotentiaries that Japanese railway guards on the South Manchuria Railway would not be allowed, previous to their withdrawal, to interfere unreasonably with the local Chinese administration or to proceed beyond the limits of the railway without permission.<sup>10</sup>

In 1908 and 1909 China contested Russia's claim to police the Chinese Eastern Railway on the ground that the term "administration," in the agreement of September, 1896, referred not to political but to business administration. Attention was called to the fact that Article 5 of the 1896 treaty had empowered China to protect the railway and its employees. Russia, in reply, made a differentiation between "external attack" and "internal attack," declaring that Russian authorities must be responsible for protection against the latter. It would appear that with the bestowal upon the Chinese of a blanket power to protect the railway zone only a specific waiver of

<sup>8</sup> MacMurray, 1:526.

<sup>9</sup> MacMurray, 1:551.

<sup>10</sup> *Ibid.*, 1:555.

specific policing duties would fully justify the Russian claim.<sup>11</sup> Hsü Shih-chang, viceroy of the Three Eastern Provinces, made an attempt to send Chinese police to the principal railway stations. The Russians protested and the matter was made the subject of correspondence between the Russian minister and the Peking Foreign Office.<sup>12</sup>

The question of railway guards on Japanese lines in Manchuria was raised in connection with the Japanese rebuilding of the Antung-Mukden Railway in 1909. The Chinese authorities, as has been noted, were unsuccessful in their insistence that the railway policing be under Chinese administration.<sup>13</sup>

The attempt of the Anglo-American financial group represented by Willard Straight to take an active part in Manchurian railway building in 1909 might have solved the railway guard problem had it been successful. A letter from Straight to Jacob H. Schiff in the United States advocated the purchase of the Chinese Eastern Railway and the inclusion of Russia in a political *entente*. He wrote,

Russia, in order to secure such a political *entente*, would be willing before selling the railway, to withdraw railway guards and recognize fully China's sovereignty and administrative right within the so-called "Railway Settlements" over which the Chinese Eastern Railway now claims jurisdiction. The withdrawal of the railway guards and the abandonment of the claim to administrative rights would force Japan, in view of her obligations under the Treaty of Portsmouth and the Komura Agreement, either to follow suit or to stand convicted of international bad faith.

The death of E. H. Harriman and the hostility of the Japanese were main factors in the failure of Straight's plans.<sup>14</sup>

Chinese police control over the Chinese Eastern Railway was first effected in December, 1917, when the Chinese authorities seized a portion of the line and sent 3500 troops to Harbin to protect the *de facto* Chinese administration. This action was not viewed with favor by the Japanese.<sup>15</sup> In the summer of 1918 Japanese troops "displaced or attempted to displace the Chinese forces which were already occupying the line of the Chinese Eastern Railway and satisfactorily guarding its operation."<sup>16</sup> Although the Chinese managed to maintain

<sup>11</sup> Young, 23.

<sup>12</sup> Hsü, 301.

<sup>13</sup> *Ibid.*, 320-323.

<sup>14</sup> H. Croly, *Willard Straight*, 306-309.

<sup>15</sup> G. E. Sokolsky, *The Story of the Chinese Eastern Railway*, 33.

<sup>16</sup> D. P. Barrows, "Japan as Our Ally in Siberia," *Asia*, September, 1919:930.

considerable police power in the railway zone despite the presence of Japanese troops, full Chinese control was not realized until 1920.<sup>17</sup> In that year the so-called "Special Area of Police Administration" was established by the Chinese government. The head office was in Harbin. The police commander, although appointed in Peking, took orders, in most matters, from the Manchurian authorities and the president of the railway.<sup>18</sup>

### C. THE QUESTION AS RAISED AT THE WASHINGTON CONFERENCE

The problem of foreign railway police in Manchuria was given somewhat extensive consideration at the Conference on the Limitation of Armaments in Washington, 1921-1922. The Chinese Delegation described the Japanese practice in the matter and claimed that China had not assented to the provision in the Portsmouth Treaty by which Russia and Japan agreed to station a limited number of their railway guards in Manchuria.<sup>19</sup>

The Chinese further stated that,

Since 1905, police stations and branch stations have been established along the South Manchuria Railway, in violation of both law and treaty.<sup>20</sup> In 1915, in virtue of the new treaty between China and Japan, sentry boxes of police stations belonging to the South Manchuria Railway were established in such unopened points as K'aip'ing, T'aolu, Pamiench'eng, Ch'angt'u, and Cheng-chiatun, with Japanese police. In addition there are numerous *gendarmerie* under the command of the Commander-in-chief of the Kwantung Leased Area, also special police of the South Manchurian Railway Company, who exercise functions similar to those of the Japanese police.<sup>21</sup>

To the Chinese proposal that foreign railway guards in China be withdrawn, the Japanese Delegation, after discussing the situation in Shantung, stated,

The maintenance of troops along the South Manchurian Railway stands on a different footing. This is conceded and recognized by China under the Treaty of Peking of 1905. [Additional Agreement, Article II.] It is a measure of absolute necessity under the existing state of affairs in Manchuria—a region which has been made notorious by the activity of mounted bandits. Even in

<sup>17</sup> Sokolsky, 36.

<sup>18</sup> K. S. Weigh, *Russo-Chinese Diplomacy*, 249-250.

<sup>19</sup> *Conference on the Limitation of Armament* (Washington, 1922), 988-990.

<sup>20</sup> A discussion of this Chinese charge that the Japanese were acting in violation of law and treaty is to be found in M. Royama, "The South Manchuria Railway Zone," *Pacific Affairs*, November, 1930:1026-1027.

<sup>21</sup> *Conference on the Limitation of Armament*, 994-996.



the presence of Japanese troops, these bandits have made repeated attempts to raid the railway zone. In a large number of cases they have cut telegraph lines and committed other acts of ravage. Their lawless activity on an extended scale has, however, been effectively checked by Japanese railway guards, and general security has been maintained for civilian residents in and around the railway zone. The efficiency of such guards will be made all the more significant by a comparison of the conditions prevailing in the railway zone with those prevailing in the districts remote from the railway. The withdrawal of railway guards from the zone of the South Manchurian Railway will no doubt leave those districts at the mercy of bandits, and the same conditions of unrest will there prevail as in remote corners of Manchuria. In such a situation it is not possible for Japan to forego the right, or rather the duty, of maintaining railway guards in Manchuria, whose presence is duly recognized by treaty.<sup>22</sup>

The Japanese Delegation stated that the Japanese troops scattered along the lines of the Chinese Eastern Railway were there in accordance with an Inter-allied agreement concluded at Vladivostok in 1919, and that they would be withdrawn as soon as the evacuation of Siberia by the Japanese troops was effected. Mr. Sze of the Chinese Delegation expressed pleasure at this assurance and said he would be glad to hear later as to the time when the withdrawal would occur.<sup>23</sup>

On December 2, 1921, the matter was again discussed. The Chinese Delegation pointed out that Russia had withdrawn her military forces from Manchuria, but that Japan had failed to keep her promise to do likewise. Opportunity for China to prove that she could maintain order was requested. The presence of the Japanese military was said to increase friction and unrest rather than the opposite as had been claimed. "China cannot continue to submit to these infractions of its territorial and administrative integrity and asks the Conference to take definite measures to bring these irritating controversies to a close."<sup>24</sup> Japan's reasons for stationing troops along the Chinese Eastern Railway, namely, in order to establish communications between the Japanese contingents in Siberia and South Manchuria, were challenged.<sup>25</sup> The claim was made that since 1900 there had been a continual expanding of Japanese police control in Chinese territory.

The Conference then appointed a subcommittee to deal with the problem. Chairman Hughes stated that the difficult question of

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<sup>22</sup> *Conference on the Limitation of Armament*, 1004-1006.

<sup>23</sup> *Ibid.*, 1006-1008.

<sup>24</sup> *Ibid.*, 1040-1044.

<sup>25</sup> *Conference on the Limitation of Armament*, 1046.

whether or not China could without aid provide adequate protection of foreign life and property could not be settled without detailed investigation.<sup>26</sup>

On December 7 Mr. Hanihara, for the Japanese Delegation, stated:

. . . . that the stationing of our troops and police in some parts of China is solely due to our instinct for self-protection. It is admittedly a costly and thankless undertaking to maintain our troops and police in a foreign land. We should only be too glad to be relieved of that responsibility, if the efficient system of protection and control over our nationals resident in China were in operation.

The Chinese interpretation of the 1905 agreements respecting railway guards seemed "hardly convincing." Russia's withdrawal of guards was attributed to the "existing anomalous situation in Russia" and was not considered a proof that Russia had voluntarily and unequivocally carried out the 1905 agreement. Japan's promise to withdraw her military simultaneously with Russia, when China was able to afford full protection, did not yet call for action, since China was clearly unable yet to safeguard foreign interests.

As for the contention that China should be given an opportunity of proving her ability to maintain peace and order in Manchuria, the reply is obvious. Japanese interests and Japanese security are matters of such importance that she [Japan] can not afford to take obvious risks. By taking such chances as are suggested we should do no good either to China or to ourselves. We should not pander to a sentimental idea at the risk of creating grave international difficulties in a region which has already been the source of a life-and-death struggle on the part of Japan, in a war which did more to preserve the integrity and independence of China than perhaps any other that has ever been fought.<sup>27</sup>

A statement was then presented detailing the chaotic and dangerous conditions existing in Manchuria where Chinese were responsible for law and order.<sup>28</sup>

No action on the matter of Japanese railway guards in Manchuria was taken by the Conference except to appoint a commission which at China's request in the future would investigate the situation.<sup>29</sup> With the growth of Chinese nationalism in Manchuria after 1925 the issue steadily became more significant.

<sup>26</sup> *Ibid.*, 1048.

<sup>27</sup> *Conference on the Limitation of Armament*, 1088.

<sup>28</sup> *Ibid.*, 1090-1092.

<sup>29</sup> *Ibid.*, 184-186.

## VI

### INCREASING SINO-JAPANESE FRICTION

#### A. ADDITIONAL PROVOCATIONS

By the summer of 1931 Sino-Japanese relations had become extremely critical. The Japanese held that the increasingly hostile attitude of the Chinese was making the situation unbearable.<sup>1</sup> Foreign Minister Shidehara, who continued to follow his so-called "Friendship Policy" toward China,<sup>2</sup> was being made the object of bitter criticism from Japanese who had consistently advocated a "strong policy" in Manchuria. Even some who had previously supported him in his conciliatory attitude were beginning to desert him.

It was claimed that the Chinese campaign against the Japanese in Manchuria had created nearly three hundred specific disputes which needed settlement. Most of the Chinese activities which the Japanese held to be contrary to the treaties or to be provocative have already been mentioned. Additional misunderstandings had arisen over such Japanese accusations as these: Chinese obstruction to the quarrying of stone by the South Manchuria Railway; Chinese attacks by violence upon the Japanese roads; obstruction of Japanese purchase of additional lands for railway uses;<sup>3</sup> Chinese refusal to lease land to Japanese in accordance with the stipulations of the 1915 treaty;<sup>4</sup> alleged Chinese oppression of Koreans in Manchuria;<sup>5</sup> illegal taxa-

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<sup>1</sup>United States, 72 Cong., 1 Sess., Senate Document 55:8.

<sup>2</sup>An excellent account of Baron Shidehara's long-sustained and courageous attempt to avoid the use of armed force in dealing with China is found in Kawakami, *Japan Speaks on the Sino-Japanese Crisis*, 21-35.

<sup>3</sup>League of Nations Association of Japan, *Chinese Violations of Japanese Rights and Interests in Manchuria*, 2-4; W. H. Mallory, "Permanent Conflict in Manchuria," *Foreign Affairs*, January, 1932:222-223; Meng, 49.

<sup>4</sup>League of Nations Association of Japan, *Anti-Japanese Laws, Ordinances and Instructions Issued by the Chinese Authorities*, December 23, 28, 1931, January 15, 1932; *Instances of China's Violation of Treaties and Agreements*, 12; Akagi, 33; Young, *Japanese Jurisdiction in South Manchuria Railway*, Chap. VI.

<sup>5</sup>Kawakami, 79-84; H. B. Elliston, "Realities in Manchuria," *Asia*, January, 1932:10-11; O. Lattimore, *Manchuria*, 239-242.

tion;<sup>6</sup> attacks of violence by Chinese upon Japanese;<sup>7</sup> anti-Japanese propaganda in Chinese schools;<sup>8</sup> numerous and varied provocative Chinese actions against Japanese.<sup>9</sup>

In the spring of 1931 Marshal Chang Hsueh-liang consented for the first time to the organization of branches of the Kuomintang throughout Manchuria. The Japanese held that this action had made possible a decided heightening of Chinese aggressiveness. The Kuomintang's educational program with its slogan of "China for the Chinese" undoubtedly stimulated anti-Japanese feeling. In Tsitsihar, for example, Kuomintang influence was manifested by the arrest of Chinese making purchases in Japanese shops, and the opposition to the lease of shops or homes to Koreans.<sup>10</sup>

The complaints on the part of the Japanese were met by the Chinese authorities with the charge that Japan was falsely spreading the idea of increasing Chinese provocative action. They maintained that it was the Japanese rather than their own nationals who were growing in arrogance and aggressiveness.<sup>11</sup> They displayed especial resentment over the Japanese practice of carrying out military maneuvers outside the Japanese railway zone, over the illegal activities of Japanese police and rail guards within Chinese areas, and over the alleged supercilious and high-handed acts of many Japanese toward

<sup>6</sup> These taxes protested by the Japanese included the unauthorized levy on Fushun coals, double import duties at Dairen, a consumption tax within the South Manchuria Railway zone, business taxes at the boundaries of the Japanese areas (League of Nations Association of Japan, *Chinese Violations of Japanese Rights in Manchuria*, 3-7; Akagi, 33). As an example of these business taxes the Chinese authorities placed a tax on produce, especially soya beans, being moved from interior points to the Japanese railway zone. On May 16, 1931, for instance, the Chinese tax office established collection booths on all the main roads leading to Kaiyuan, a soya bean assembling mart on the South Manchuria Railway. A 5 per cent ad valorem tariff was collected from the Chinese shippers. The Japanese *Manchuria Daily News* characterized this action as a "plain trespass upon the Japanese authority of administration. . . . It is virtually the economic blockade of the railway town of Kaiyuan." The Chinese insisted that they were as much entitled to tax products before entering the Japanese areas as were the Japanese upon their arrival there (Young, *Japanese Jurisdiction in the South Manchuria Railway Areas*, 240-245; Foreign Policy Association, *Basic Treaty Issues in Manchuria*, 390-391).

<sup>7</sup> Narita, 133.

<sup>8</sup> S. Venou, *Trans-Pacific*, December 10, 1931:4; H. Motoyama, *Japan Today and Tomorrow*, 18; League of Nations Association of Japan, *Anti-Japanese Education in China*.

<sup>9</sup> "Outstanding Issues in Manchuria and Mongolia," *Japan Magazine*, January, 1932:118-125; "Japan in Manchuria," *Osaka Mainichi*, Special Supplement, November 20, 1931:1-12.

<sup>10</sup> H. Abend, *New York Times*, April 17, 1931:7.

<sup>11</sup> Senate Document 55:12 (72 Cong., 1 Sess.). Meng, 59-61.

Chinese. They held that a certain amount of Chinese opposition toward aliens encroaching upon Chinese territory was inevitable, but that, because of the realization of military inferiority, China contrary to Japanese claims, was manifesting a remarkably submissive rather than an aggressive attitude.<sup>12</sup>

#### B. EVENTS LEADING UP TO JAPANESE MILITARY INTERVENTION

By the summer of 1931 the Chinese drive against the Japanese position in South Manchuria, plus the provocative manners and actions of the Japanese military, had created a tension which neutral observers predicted would soon lead to an open break. A chronological account of developments leading up to Japan's action of the early morning of September 19 will reveal how Chinese nationalism played into the hands of Japanese chauvinists.

On July 2, 1931, the Wanpaoshan incident occurred. A dispute between Chinese and Korean peasants at Wanpaoshan, near Changchun, led to the intervention of both Chinese and Japanese police. A general fracas ensued in which shots were fired. No lives were lost, however. Exaggerated reports of the incident were given to the press in Korea and as a result a series of massacres of Chinese in Korea took place at the hands of enraged nationals of that country.<sup>13</sup>

The importance of railway problems in Manchuria was emphasized on July 22 when Count Uchida was made president of the South Manchuria Railway. He was not an administrator as had been his predecessors, but one of Japan's leading diplomats.<sup>14</sup> It was indicated

<sup>12</sup> *Ibid.*, 15; Young, *Japanese Jurisdiction in the South Manchuria Railway Areas*, Chap. X.

<sup>13</sup> *London Times*, July 7, 1931: 13; July 15, 1931: 13.

The Chinese officials held that the Japanese were responsible for the false reports and for the resultant Korean anti-Chinese activities. It was reported that Chin San-li, editor of a Korean newspaper, had been given distorted reports by the Japanese consul at Harbin. Chin later retracted his charges and apologized for his misstatements. According to an American newspaper dispatch he was thereupon assassinated by Koreans said to be members of the Japanese police forces on the Kirin-Korea border (Abend, *New York Times*, September 4, 1931: 7).

Chinese reaction to the murder of their countrymen in Korea was immediate. Their anger was directed chiefly at Japan. Widespread boycott activities were soon in evidence (*Chinese Affairs*, July 15, 1931: 313-338). Resolutions calling for a nation-wide economic boycott of Japan were passed at mass meetings throughout the nation (*ibid.*, July 31, 1931: 382-383). Nanking and Tokyo found themselves at wide variance as they sought a settlement of the massacre (*Ibid.*, 384). The boycott became daily more effective and many of the Japanese firms and interests began to suffer heavily.—*U. S. Commerce Reports*, 47 (November 23, 1931): 437.

<sup>14</sup> *New York Times*, November 16, 1931: 2.

that Count Uchida would cooperate in an unprecedentedly close way with the newly appointed governor-general of Korea, General K. Ugaki.<sup>15</sup> The Japanese forces in Korea had been increased by one division, and the garrison in the Kwantung Leased Area was also being strengthened.<sup>16</sup>

On July 23 it was reported that in view of Chinese aggressiveness five representative Japanese citizens of Manchuria were proceeding to Tokyo to agitate for stronger measures in order that Japanese rights might be safeguarded.<sup>17</sup> Indicative of the growing Japanese exasperation, a Japanese writer states, late in July,

If conditions grow any worse Japan will be obliged to intervene with force. Japanese opinion in almost all circles has been stiffening for the past several months. If strained relations be precipitated between China and Japan pacifists in this country will not be able to prevent Japan from taking a firm attitude. The result will be something akin to the Chinese Eastern Railway incident of two years ago.<sup>18</sup>

On August 4 General Minami, minister of war in the Japanese Cabinet, made an address to a group of army officers which indicated the seriousness with which the military leaders were viewing Sino-Japanese developments. He dwelt upon the critical nature of the Manchurian situation and called upon all those in the military service to display a stronger sense of loyalty and public service. So pointed and aggressive were his words that they created a sensation. Foreign Minister Shidehara publicly rebuked the war minister, declaring that his move would create more talk of dual diplomacy.<sup>19</sup>

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<sup>15</sup> *Trans-Pacific*, July 30, 1931:5.

<sup>16</sup> Peake, 508.

<sup>17</sup> *Trans-Pacific*, July 23, 1931:8.

<sup>18</sup> Washio, *ibid.*, July 30, 1931:5.

<sup>19</sup> E. T. Williams, "Japan's Interest in Manchuria," *University of California Chronicle*, January, 1932:25. A newly published life of the late Baron Kato sheds considerable light on the meaning, in this case, of the term "dual diplomacy."

As Japanese foreign minister in 1906, Kato sought to fulfil promises of withdrawing Japanese troops from Manchuria and maintaining the "Open Door." The Army refused to accede and Kato and the entire Cabinet consequently resigned. In 1913 Kato was asked to become foreign minister in Count Katsura's cabinet. Before accepting he stated:

"My experiences as Foreign Minister on two occasions impel me to call to your attention the fact that since the Russian war the military authorities have been but too prone to disregard the policy of the Foreign Office or to adopt independent measures in regard to China and Manchuria. This has resulted in dual diplomacy. If I am to become Foreign Minister again I must be assured beforehand that I shall be allowed to assume entire responsibility for Japan's diplomacy and to establish the principle that the military authorities shall not interfere with diplomacy."—M. Ito, *Kato Takaaki Den*, reviewed by K. K. Kawakami in *New York Times*, Book Review Section, January 3, 1932:19.

The War Minister's speech was almost unanimously condemned in leading Japanese newspapers. The *Osaka Asahi* stated:

Reports are circulating in quarters supposed to be informed to the effect that the military leaders are deliberately attempting to arouse the people in connection with Manchuria and Mongolia, not so much because the situation in this territory has been growing serious as because they want to divert the attention of the public from their drive against a reduction of military expenditures and from their activity in connection with the forthcoming League Disarmament Conference. . . . General Minami's excursion furnished additional proof of the contention that the Government is lacking in the strength to impose its will upon the military leaders.

The *Miyako* commented:

Is War unavoidable, as General Minami seems to think? As the General pointed out, the situation in Manchuria and Mongolia is becoming aggravated but nobody believes that Japan must fight for the protection of her rights and interests in the territory. General Minami has done a great disservice to the State.<sup>20</sup>

The War Minister, knowing that his resignation would mean the fall of the Cabinet, and resting on his constitutional right of direct appeal to the Emperor, apparently paid little attention to the remonstrances of Minister Shidehara or the press.<sup>21</sup>

That the Minseito Party, which had consistently supported Baron Shidehara's "Friendship Policy" toward China, was not shutting its eyes to possible complications in Sino-Japanese relations was indicated on August 6. Premier Wakatsuki, in addressing the Diet, spoke of the Japanese rights in Manchuria which could not be surrendered. "If it is necessary for this country to defend its existence Japan will not hesitate to make sacrifices."<sup>22</sup>

In an interview in the middle of August, Mr. S. Eguchi, new vice-president of the South Manchuria Railway, stated that although still hopeful of settling disputes with China peacefully, certain Japanese military, merchant, and young patriot groups in South Manchuria were endangering the situation and that it might be necessary to discipline them. Although indicating discouragement at the unwillingness of the Chinese authorities to display a conciliatory and cooperative spirit, the Japanese statesman deplored any agitation for strong measures against the Chinese.

<sup>20</sup> In *Trans-Pacific*, August 13, 1931:6.

<sup>21</sup> Peake, 509.

<sup>22</sup> *Trans-Pacific*, August 6, 1931:3.

Neutral observers in South Manchuria were at this time becoming increasingly pessimistic over the situation. Chinese leaders apparently believed that Japan planned aggressive measures despite the peaceful statements of leaders like Count Uchida and Baron Shidehara. The Japanese, on the other hand, held that the trend of events clearly indicated that China was following a policy of pin pricks, annoyances, evasions, and delays. With the Japanese claiming that about three hundred disputes needed settlement little progress toward solution was apparent. The Japanese declared that diplomatic representations to Mukden met the response that Nanking must be consulted, whereas Nanking replied that action could not be taken without consultation with the Manchurian Government.<sup>23</sup>

With Japanese who favored the inauguration of a "strong policy" holding meetings and demonstrations, both in China and in Japan, despite the attempts of the Shidehara group to keep them in hand, and with the Chinese pressing boycott and other non-cooperative activities, pessimism seemed justified. An increase in Japanese military maneuvers in Manchuria especially aroused Chinese ill will.<sup>24</sup>

It was at this time that the murder in Inner Mongolia of Captain S. Nakamura, of the Japanese Army, by Chinese troops was made public. The crime had been committed on June 27, but the news had been slow in reaching Japan and had then been suppressed for a time by the Foreign Office because of the delicacy of existing Sino-Japanese relations. Apparently Captain Nakamura had been traveling as an educator with a Chinese passport and in civilian clothes. The Japanese War Office, discovering that he had been an officer, demanded the publication of the fact. For some time a struggle ensued between the two arms of the government, the Foreign Office insisting that Nakamura be announced as a civilian. Finally the War Office released the story according to its own interpretation.<sup>25</sup> The military group realized the necessity of winning public opinion to its side. The use made of the Nakamura incident greatly strengthened the War Department in its struggle with the Foreign Office.<sup>26</sup>

At this time Governor-General of Korea Ugaki stated that China must stop confiscating the lands of Koreans in Manchuria. There was

<sup>23</sup> Abend, *New York Times*, August 14, 1931:7.

<sup>24</sup> *New York Times*, August 15, 1931:6.

<sup>25</sup> Peake, 509.

<sup>26</sup> *Japan Weekly Chronicle*, September 17, 1931:349.



great Korean dissatisfaction with the lack of protection afforded them. The Japanese were tempted to stiffen their Manchurian policy in order to win a measure of real allegiance from their twenty million Korean subjects.<sup>27</sup>

On August 18 a company of Japanese soldiers outside the railway zone, according to the *China Weekly Review*, "indulged in target practice right in the middle of a populous district."<sup>28</sup> In Mukden the Japanese had been executing "night manoeuvres" for some time and the people were becoming accustomed to night firing.<sup>29</sup>

On August 19 a number of Japanese generals met and petitioned the War Minister not to leave the settlement of the Nakamura case and of Manchurian problems in the hands of the Foreign Office.<sup>30</sup> Six army aeroplanes, in a practice flight around the Japanese Alps, dropped leaflets reported to number about 100,000, which appealed to the nation to awaken to the dangers menacing Japanese rights in Manchuria. They were reported as issuing from the headquarters of the Ninth Division at Kanazawa.<sup>31</sup>

On August 31 Mr. K. Mori, who had headed a Seiyukai Party commission to study the Manchurian situation, reported to the party leaders. The absence of a clear-cut policy in the Minseito government was stressed and force was indicated to be the only way out. Relations in Manchuria were said to be as tense as though the two nations were on the brink of war. The *Asahi* commented, however, that the Shidehara policy had placed China in the wrong and was increasing Japanese prestige in foreign countries.<sup>32</sup>

On September 3 it was reported that a prominent Chinese official favored an investigation of Sino-Japanese disputes in Manchuria by a neutral body. He said, "We strongly favor having the League of Nations appoint a representative to live in Manchuria and exhaustively investigate all phases of the Sino-Japanese controversy."<sup>33</sup>

On September 4 War Minister Minami addressed the Cabinet and demanded strong action. The failure of the Chinese government to

<sup>27</sup> *New York Times*, August 19, 1931:14.

<sup>28</sup> *China Weekly Review*, August 29, 1931:490.

<sup>29</sup> *Ibid.*, October 17, 1931:248.

<sup>30</sup> Williams, 25.

<sup>31</sup> Byas, *New York Times*, September 9, 1931:4; *Japan Weekly Chronicle*, September 17, 1931.

<sup>32</sup> *Trans-Pacific*, September 10, 1931:5.

<sup>33</sup> Abend, *New York Times*, September 4, 1931:7.

give satisfaction in the Nakamura case had greatly intensified Japanese disquiet.<sup>34</sup> Japanese newspapers asserted that the War Department was resolved to take "certain resolute steps" unless the Chinese gave full satisfaction.<sup>35</sup> Dr. C. T. Wang, Nanking's Minister of Foreign Affairs, aroused deep anger when he stated that if Nakamura had been killed it had been by bandits, and that as a matter of fact investigation had led him to believe that the whole story was a Japanese fabrication. Japanese army officers insisted that they had definite proof that Nakamura had been murdered by Chinese soldiers. The War Office was reported to be determined, if necessary, to take independent action.<sup>36</sup>

Premier Wakatsuki, addressing a party convention at Toyama, said that Japan's policy toward China was one of "live and let live," but that the maintenance of treaty rights was not inconsistent with this. He went on to state, however, "We must remember that strong diplomacy will fail if it forgets the mutuality of our [Sino-Japanese] interests, and we must not be in too great a hurry to get results."<sup>37</sup>

On September 6 Mukden was reported to be making a new investigation of the Nakamura execution.<sup>38</sup> Marshal Chang Hsueh-liang was revealing a desire to appease the Japanese in their demands for apology, indemnity, punishment of the guilty, and assurances for the future. He continued, however, to defer in considerable measure to Nanking.<sup>39</sup>

Meanwhile agitation for aggressive action increased in Japan.<sup>40</sup> On September 11 three thousand people attended a meeting called by

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<sup>34</sup> *Japan Weekly Chronicle*, September 17, 1931:349. . .

<sup>35</sup> *New York Times*, September 6, 1931:8. Among those advocating aggressive measures was General Araki who a few weeks later was to become War Minister in the Inukai Cabinet. According to a Japanese publication the solution of Japan's continental policy had been General Araki's chief ambition. He lived for some years in Russia and at the time of the Siberian expedition, in which he participated, he urged that the territory east of Lake Baikal be made Japan's first line of defense. When unable to carry his point he stated "If we are to give up the Siberian policy we might as well quit Siberia and devote our energy solely to North Manchuria." Thereafter he pursued the plan of making North Manchuria the first line of defense for Japan against Soviet Russia (*Japan Today and Tomorrow*, 31).

<sup>36</sup> *Trans-Pacific*, September 10, 1931:6.

<sup>37</sup> Byas, *New York Times*, September 6, 1931:8.

<sup>38</sup> *London Times*, September 8, 1931:11.

<sup>39</sup> *Trans-Pacific*, September 10, 1931:6.

<sup>40</sup> *Japan Chronicle*, September 10, 1931:308; *London Times*, September 9, 1931:13.

army reservists in Tokyo. Plans were being made for a demonstration in the capital city by thirteen thousand reservists.<sup>41</sup>

On September 12 Marshal Chang was reported to have decided upon settling the Nakamura case in a way satisfactory to Japan.<sup>42</sup> On September 14 Japanese authorities were notified that China accepted responsibility for the murder.<sup>43</sup> On September 15 General S. Honjo was reported to have ordered the mobilization of the Kwantung garrison.<sup>44</sup>

On September 16 Mr. Shigemitsu, the new Japanese minister to China, reported from Nanking that Finance Minister T. V. Soong had consented to a joint commission for the investigation and settlement of Manchurian problems.<sup>45</sup> On September 17 it was reported that a conference on Manchurian railway problems would be held in Mukden shortly with Marshal Chang Hsueh-liang,<sup>46</sup> Count Uchida, and Minister T. V. Soong participating.<sup>47</sup> Chinese authorities in Mukden notified Japanese Consul-General Hayashi on September 17 that Colonel Kuan Yu-heng and eleven Chinese soldiers, who had been found guilty of the death of Captain Nakamura, were being brought to Mukden for punishment. On the morning of September 18 this information was sent to Japanese army officials.<sup>48</sup>

On September 18 at 10:30 p.m. Chinese troops were alleged to have made an attack upon tracks of the South Manchuria Railway near Peitaying, a Chinese military encampment three miles from Mukden. One rail was damaged by a bomb. Japanese troops immediately took the offensive.<sup>49</sup> Meeting slight resistance only at Mukden and Changchun they promptly occupied the South Manchuria Railway zone at all strategic points. Troops were pushed out along the railroads connecting with the Japanese system and within three days nearly all the strategic centers in South Manchuria had been occupied.<sup>50</sup> A new

<sup>41</sup> *New York Times*, September 13, 1931:13.

<sup>42</sup> *Trans-Pacific*, September 17, 1931:6.

<sup>43</sup> *China Weekly Review*, October 24, 1931:289.

<sup>44</sup> Peake, 510.

<sup>45</sup> *Ibid.*, 508.

<sup>46</sup> After being ousted from Manchuria by the Japanese, Chang Hsueh-liang changed his name to Chang Hsiao-liang.—*New York Times*, July 17, 1932, E5.

<sup>47</sup> *New York Times*, September 18, 1931:8.

<sup>48</sup> *China Weekly Review*, October 24, 1931:290.

<sup>49</sup> *Sen. Doc. 55:2* (72 Cong., 1 Sess.):2. *London Times*, September 19, 1931:10.

<sup>50</sup> T. J. Betta, "Military Notes on China and Japan," *Foreign Affairs*, January, 1932:232-233.

phase in Sino-Japanese relations in Manchuria had begun. The Chinese campaign to supplant Japanese ascendancy by their own had met with a major defeat.

Without seeking to labor the point it seems rather apparent that during the period of 1925-1931, Chinese nationalism signally effected railway developments in South Manchuria. Chinese nationalism stimulated the construction of a new terminal port at Hulutao and, despite Japanese protests, new competing All-Chinese railways; it obstructed Japan's attempts to proceed with railway building for which certain legal sanction had at one time or another been obtained; it opposed foreign loans to the South Manchuria Railway Company; it raised questions about the Fushun mines and foreign railway policing; it heightened such issues as the leasing of land to the Japanese and the imposition of additional taxes in or near the South Manchuria Railway areas; it employed patriotic demonstrations, boycotts, and varied non-cooperative activities to further the campaign for the establishment of Chinese supremacy in South Manchuria: in all these ways Chinese nationalism proved its power. But the total effect of all its activity, ironically enough, was to create a situation in which the Japanese military leaders were able to find a sufficient pretext for the intervention which began in September, 1931, an intervention which has placed an entirely new complexion upon the railway situation in South Manchuria.

**PART TWO**

**EFFECTS OF CHINESE NATIONALISM UPON  
CHINESE EASTERN RAILWAY  
DEVELOPMENTS,  
1925-1931**

## VII

### EARLY SINO-RUSSIAN DIFFICULTIES

#### A. THE PROBLEM OF PARITY IN THE ADMINISTRATION OF THE CHINESE EASTERN RAILWAY

Smouldering Chinese nationalism which burst into flame following the Shanghai Incident of May, 1925, quickly manifested itself in North Manchuria. The determination to realize full sovereignty throughout all Chinese domains found expression in an attack upon Soviet Russia in the Chinese Eastern Railway zone. The Russian was a long way from his base and did not in any sense give the impression, as did the Japanese in the Liaotung Peninsula, that he was ready and anxious to resent any encroachment upon his power.<sup>1</sup> A campaign of overt aggression was inaugurated, of which the seizure of the railway itself in July, 1929, was but the natural and, to many, the expected consummation.

The 1924 agreements between the Soviet Union and China stipulated that there should be parity of management of the railway as between the two nations. From the outset this joint administration was never actually put into effect. The treaty provisions were not sufficiently specific to make it possible for the Chinese immediately to transform a Russian railroad into a truly joint project. If the chief of a department, for example, was of one nationality the assistant chief was to be of the other; there was nothing specifically to provide that each department chief should not be a Russian.

The employment of persons in various departments was to be in accordance with the principle of equal representation between Chinese and Soviet nationals. This, however, was modified in the Soviet-Mukden treaty of October 8, 1924, by the declaration that

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<sup>1</sup> A. J. Toynbee suggests that the Chinese campaign against the Russians, beginning in 1925 and culminating in the seizure of the Chinese Eastern Railway, was prompted by the conviction "that the Soviet Government was devoted to the Christian (and Tolstoyan) maxim 'Resist not evil,' and might be relied on to turn the other cheek however many buffets might be administered to their 'face' by Chinese hands." The same writer surmises also that the Chinese campaign may have been based on the erroneous belief that the U.S.S.R. was, as many White Russians in China claimed, on the verge of a counter-revolution.—Toynbee, 1929:345.

. . . . in carrying out this principle of equal representation the normal course of life and activities of the Railway shall in no case be interrupted or injured, that is to say, the employment of the people of both nationalities shall be based in accordance with experience, personal qualifications and fitness of the applicants.<sup>2</sup>

In Declaration VII attached to the treaty of May 31, 1924, Wellington Koo, representing China, and L. M. Karakhan, the Soviet plenipotentiary, stated that "the application of this principle is not to be understood to mean that the present employees of Russian nationality shall be dismissed for the sole purpose of enforcing said principle."<sup>3</sup>

The board of directors, being composed of five Chinese and five Russians, with seven persons constituting a quorum and no decisions effective unless having the consent of six, could be made subordinate to the Soviet general manager by the simple device on the part of Russian members of absenting themselves from meetings or of refraining from voting. As Mr. C. C. Wang,<sup>4</sup> former president of the railway, said in 1925, "it must have required much skill to frame the terms in such a pleasant way and yet make them so elastic, if not ambiguous." This elasticity made it possible for the Russians to withhold the Chinese parity which had been promised.

The failure to obtain parity at the outset may have rested as much with the Chinese, however, as with the Russians. The first president (Chinese) of the line under the new status, General Pao Kwei-ching, never attended the meetings of the directors. An obviously anti-Soviet correspondent in Harbin wrote:

It is now fully four months since there has been a Board meeting and there are some 500 questions awaiting the decision of the Board. Even the 1925 Budget which was ready at the beginning of the year has not been passed, so that actually the General Manager is personally responsible for all expenditure incurred during the current year. Undoubtedly the Chinese Directors made a grave mistake not to have been here on the spot when the new Board and new management came into power in October last year, for now the Chinese are likely to pay heavily for this mistake. General Pao, the President of the Railway, has never been in Harbin since he was elected and there is still speculation as to whether he will ever come, for it is an open secret he never wanted the post which he was more or less forced to accept. Mr. Yuan, the Vice-President, resigned over three months ago and his successor, Mr. Chen Chien, though appointed, is not likely to come to Harbin as he has several other jobs.<sup>5</sup>

<sup>2</sup> Blakeslee, 202-208.

<sup>3</sup> *American Journal of International Law*, Supplement (1925), 9:55-58.

<sup>4</sup> C. C. Wang, "The Chinese Eastern Railway," *Annals of American Academy of Political and Social Science*, November, 1925:68.

<sup>5</sup> *North China Daily News*, May 2, 1925, in Sokolsky, 48.

Railway Manager Ivanoff was therefore in complete control. He apparently ignored the principle of equality in employment. Whereas in October, 1924, there were 5,912 Chinese employed, in January, 1925, there were only 5,555. The Russians, on the other hand, increased from 10,833 to 11,251.<sup>6</sup> Not only was the number of Russians increased but a policy of supplanting the so-called White Russians or *émigrés* by Soviet citizens was inaugurated.<sup>7</sup> This attack on the *émigrés* aroused the opposition of Marshal Chang Tso-lin who had little sympathy with the radical doctrines of the Soviet régime. In May, 1925, when Ivanoff sought to make wholesale dismissals of White Russians, Chang-Tso-lin dispatched troops to Harbin and, apparently, intimidated Ivanoff into canceling his order.<sup>8</sup> It was probably this initial capitulation on the part of the Soviet government which encouraged the Chinese further to stiffen their attitude during the ensuing months. Thereafter the Chinese antagonism to Russian hegemony in North Manchuria became increasingly open and bitter.

#### B. THE IVANOFF INCIDENT

During the latter part of 1925 Manager Ivanoff's relations with the Chinese became more and more strained. Constant misunderstanding and disagreement arose over matters of policy, operation, and jurisdiction.

On November 10, 1925, it appears that the Russian manager issued an order, effective on December 1, forbidding transportation of Chinese military forces on credit. At a meeting of the board of directors held in Harbin on November 30 the Chinese members protested this action, and won a reluctant consent from the Russian directors that Chinese railway guards might continue to ride without prepayment.<sup>9</sup> At this time the Mukden government owed the railway over \$11,000,000 for troop movements.

A critical situation developed in the middle of January, 1926, when Manager Ivanoff sought to enforce his November ruling. A body of Chinese soldiers was prevented from entraining on the Changchun-Harbin section because fares had not been paid in advance. The

<sup>6</sup> *Ibid.*

<sup>7</sup> Toynbee, 1925:345.

<sup>8</sup> Kawakami, "Russo-Chinese Conflict," *Foreign Affairs*, January, 1930:63.

<sup>9</sup> *The Peking Leader*, December 5, 1925; Young, 229.



soldiery seized the train and compelled its operation. Ivanoff then stopped all regular traffic on the line.<sup>10</sup> The Chinese administrator of martial law at Harbin attempted to force the resumption of traffic and threatened to operate trains himself with the aid of the military. Conferences held at Harbin proved futile.<sup>11</sup> On January 22 General Chang Huan-hsiang complied with Marshal Chang Tso-lin's order to place Ivanoff and three Russian members of the board under arrest. For the time being the Chinese Eastern Railway was taken over by the Chinese military and operated with the help of the White Russians. An *émigré* was made manager, temporarily, in Ivanoff's place.

Mr. Karakhan, the Russian ambassador in Peking, immediately made strong protest against Chang Tso-lin's "unheard-of violation of the Agreement of 1924."<sup>12</sup> An ultimatum was delivered both to Peking and to Mukden demanding release of the prisoners, restoration of order along the railway, and fulfillment of treaty obligations. Three days were given for response and the request was made of the Peking government for permission to employ Russian troops in case Mukden did not comply with the Russian demands.<sup>13</sup> Within the time limit the prisoners were released and the *status quo ante* confirmed. Subsequently the attempts of the Chinese members of the board of directors to pass upon the action of the manager were nullified by the action of the Russian directors in absenting themselves from meetings.<sup>14</sup>

### C. CONTINUING CHINESE ENCRÓACHMENTS UPON THE RUSSIAN POSITION

In February, 1926, General Chang Huan-hsiang, complying with Chang Tso-lin's instructions, arbitrarily dissolved the municipal council in Harbin, which had been entirely Russian.<sup>15</sup> Despite foreign consular protests a new council composed exclusively of Chinese was organized on November 1, 1926.<sup>16</sup>

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<sup>10</sup> Toynbee, 1925:346.

<sup>11</sup> *China Weekly Review*, February 19, 1927:314.

<sup>12</sup> Young, 231.

<sup>13</sup> *China Weekly Review*, February 19, 1927:314.

<sup>14</sup> Young, 231.

<sup>15</sup> *Trans-Pacific*, July 18, 1929:8; Toynbee, 1926:262.

<sup>16</sup> S. Sato, *Manchuria Daily News*, Monthly Supplement, September 1, 1928:3.

Before the summer of 1925 the Chinese attacks upon the Russians had been largely the work of certain officials, but this antagonism to the foreigner in North Manchuria began to spread rapidly among other Chinese groups. This development in turn emboldened the officials to increase their aggressiveness.

Chinese employees of the Chinese Eastern Railway resented the fact that so many positions were being filled with Russian members of the Communist Party. They united in the demand that similar posts should be created for Chinese. The result was that many unnecessary job-holders were appointed at the expense of the railway. An American correspondent in Harbin was told of one department so filled with appointees that desk space proved insufficient. It was found necessary for part of the men to stay away from the offices so that the remainder would have room to play cards and mah-jong. The demand for parity in employment was only one of many sources of unrest. As an example of one of the less important issues which yet added to the general restlessness was the Chinese demand that the railway administration cease expending funds upon music. The railway had been maintaining a fine orchestra in Harbin, which gave weekly concerts and operas for the entire community. The matter was finally settled, apparently, by allotting a sum, equal to that expended on the orchestra, to the Chinese authorities for utilization in cultural education if they so desired.

A genuine cause of Russian dissatisfaction was the practice of certain Chinese military officials along the railroad in commandeering freight cars. Ostensibly the equipment was to be used in military transport, but frequently the freight space was sold to some friend for the shipping of beans, hides, or other merchandise. The Russians maintained that the practice demoralized the freight traffic because the generals sold their space at considerably lower rates than the regular railway tariffs.<sup>17</sup>

Early in 1926 negotiations for the settlement of outstanding issues were opened in Harbin and then transferred to Mukden. They were carried on in desultory fashion until their breakdown on June 5, 1926. In the early summer Ambassador Karakhan, who had become *persona non grata* to the Peking and Mukden authorities, was finally, after

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<sup>17</sup> J. B. Powell, "The Truth about the Sino-Soviet Dispute in Manchuria," *China Weekly Review*, September 14, 1929:83.

much pressure, replaced by a representative more acceptable to the Chinese.<sup>18</sup>

Late in August, 1926, the Chinese Eastern Railway's Sungari and Amur River fleet was taken over by the Chinese.<sup>19</sup> This fleet of commercial vessels with wharves and warehouses attached was commandeered by Admiral Shen Hung-lien under Mukden's orders. It was valued at \$14,000,000.<sup>20</sup> This flotilla had been one of the chief objects of discussion at the abortive Mukden Conference. The Soviet government estimated the shipping seized at eleven steamers and thirty barges with a total capacity of 20,000 tons.<sup>21</sup> Chang Tso-lin's edict taking over the fleet contained the following:

A telegram has been sent me by the President of the Chinese Eastern Railway dated August 21 stating that the navigating of the Chinese Eastern Railway fleet in inland waters is contrary to the Agreement, and causes loss to native navigation . . . following the precedent taken by the Soviet Government in seizing Egersheld port at Vladivostok and eleven barges, all large and small vessels belonging to the Chinese Eastern Railway and all other property of the Navigation Department . . . will be handed over by the President of the Chinese Eastern Railway to the Commander of the Northeast Squadron.<sup>22</sup>

At about the same time the educational system which had been carried on by the Chinese Eastern Railway was taken over by the Chinese authorities. The Russian as well as the Chinese schools which had been in operation in Harbin and elsewhere along the railroad from Manchouli to Pogradichnaya and Changchun were all seized. This was done at Chang Tso-lin's command on the grounds that the schools were being used for the spreading of communist propaganda. Minister Chicherin protested from Moscow, but Mukden paid no attention.<sup>23</sup> On March 11, 1927, the premises of the Soviet Trade Commission in Harbin were raided by Chinese police.<sup>24</sup>

The relinquishment of the administration of land owned by the Chinese Eastern Railway, but not actually used for railway purposes, was demanded by General Chang Huan-hsiang in the same month.<sup>25</sup>

<sup>18</sup> Toynebee, 1926:281.

<sup>19</sup> L. Fischer, *Soviets in World Affairs*, 2:735; *New York Times*, September 3, 1926:4; September 13, 1926:2.

<sup>20</sup> Abend, *New York Times*, February 24, 1929:8E.

<sup>21</sup> *London Times*, September 10, 1926:11.

<sup>22</sup> Sokolsky, 52.

<sup>23</sup> Fischer, *loc. cit.*

<sup>24</sup> *Soviet Union Year Book*, 1930:559.

<sup>25</sup> Sato, 3.

The attempt to dissociate the land question from that of the railway administration had been attempted in February, 1926, when the land offices of the Chinese Eastern Railway had been closed.<sup>26</sup> Having achieved his demand for relinquishment of the lands not actually needed by the railway, General Chang Huan-hsiang revised proceedings for registering real estate with the Chinese Supreme Court, so obscuring the title and transfer rights that all foreign land owners became alarmed. In December, 1927, the Land Management Office published regulations concerning the issue of certificates of land rental and transfer of leases. Any one failing to observe local and national regulations, or to pay municipal taxes within prescribed dates, was to be denied registration of the names of title holders in transfer deals. The consular body in Harbin protested, but without noticeable effect.<sup>27</sup> The Japanese and other foreigners suffered from some of these actions, but the main drive was constantly against the Russians. An American correspondent visiting North Manchuria in 1927 was told that in view of the rough handling which the Russians were receiving "it is only a matter of time until the Soviets will be kicked out bag and baggage."<sup>28</sup>

The deposit of Chinese Eastern Railway funds in the Russian Dalbank became an increasing source of dissatisfaction with the Chinese. The preëminence of the Dalbank in Harbin was attributed to its possession of the large railway funds. As early as August, 1925, the Chinese authorities in Harbin ordered an examination of the bank's accounts. Despite protest the inspection was made. The Chinese contended that half of the substantial deposits of the railway should be turned over to Chinese banks. They finally won their contention and in 1927 half the funds were deposited in Chang Tso-lin's "Bank of the Three Eastern Provinces."<sup>29</sup> The Chinese also gained larger participation in the accounting administration,<sup>30</sup> and half the profits of the railway were secured by Mukden.<sup>31</sup>

On August 18, 1927, according to a Chinese writer, the Chinese directors of the railway sought to secure the following additional con-

<sup>26</sup> Foreign Policy Association, "Russia and China in Manchuria," 200.

<sup>27</sup> Sato, 4.

<sup>28</sup> Elliston, "Latest Turn of the Manchurian Wheel," *Asia*, May, 1930:325.

<sup>29</sup> C. P. Liang, "Chinese Eastern Railway," *Chinese Affairs*, February, 1930:203.

<sup>30</sup> Young, 234.

<sup>31</sup> Sokolaky, 53; *Soviet Union Year Book*, 1930:561.

cessions: (1) China to have full and actual control of the board of directors and the management of the railway; (2) orders issued by the Russian manager to be countersigned by his Chinese associate; (3) the Chinese assistant manager and the Chinese department heads to be permitted to issue orders which shall be enforced, if not carried out, by Chinese police; (4) all the section chiefs to be Chinese; (5) education to be in Chinese hands and educational funds to be administered by the educational bureau of the Special Administrative District; (6) the telegraphs and the telephone system to be Chinese controlled; (7) China to take back the departments of General Affairs, Engineering, Commerce, and Traffic. These resolutions were not acted upon in meeting as the Russian directors absented themselves. The Russians had only recently grudgingly granted the Chinese language equal official use with Russian, and the Chinese right to enforce the Chinese system of laws in the railway zone.<sup>32</sup>

On December 22, 1928, the telephone system in Harbin operated by the railway and valued at \$3,000,000 was taken over by the Chinese.<sup>33</sup> On December 28 the Russian government lodged an official protest reported to contain the following: (1) The right to install and operate telephones along the Chinese Eastern Railway is based on the 1896 and 1924 Sino-Russian Agreements. (2) This right was recently recognized in the agreement regarding the long-distance telephone system. (3) In case of controversy over questions relative to the railway the two governments have agreed to resort to orderly negotiations. (4) The Chinese authorities who have attempted to nullify, illegally, the agreements have been flouting the traditional friendship between the two nations. (5) The Russian government demands the restoration of the Harbin telephone system and satisfactory assurances that similar high-handed seizures will not be repeated. (6) Soviet Russia has always sought to solve Sino-Russian problems in a spirit of equality and reciprocity.<sup>34</sup> As usual little or no attention was paid to the Soviet communication.

With the recovery of the Harbin telephone system the Chinese authorities began to devote their attention to securing control of the telegraph system, also. They stated that they intended first to take

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<sup>32</sup> Liang, 204-205.

<sup>33</sup> L. H. Tsao, "The Chinese Eastern Railway," *Chinese Economic Review*, April, 1929:273; Abend, *New York Times*, February 24, 1929:8E.

<sup>34</sup> Liang, 207-208.

over the portions of the railway's telegraphs which had no legal basis, and then to work for the consolidation, under Chinese administration, of all telegraphs in the Three Eastern Provinces. Demands sent to the Russian manager included the following: (1) Negotiations shall be instituted for the termination of the Chinese Eastern Railway's telegraph concessions. (2) Use of the long-distance telephone in infraction of the provisions governing the telegraph shall be immediately discontinued. (3) Until a new agreement is reached no business telegrams shall be transmitted. (4) Until the conclusion of a new agreement the railway's chief of the Telegraph Department shall be a Chinese. The subordinate positions in the different communications agencies shall be apportioned equally between the two nationalities. (5) Until the negotiations are consummated telegrams going out of the railway zone shall be censored.<sup>85</sup>

This continued and increasingly severe Chinese pressure upon the Russian position led neutral observers to prophesy that the final and complete seizure of the Chinese Eastern Railway was but a matter of time. The Chinese campaign seemed to have considerable Chinese public opinion squarely behind it. As an official of the South Manchuria Railway put it, the Chinese drive against the Russians in the Chinese Eastern Railway area was merely a part of a nation-wide drive for the recovery of Chinese sovereign rights.<sup>86</sup> When Chiang Kai-shek, Chang Hsueh-liang, and Sun Fo met in Peiping in July, 1928, it was widely rumored that a decision had been reached to proceed expeditiously toward the full recovery of the railway.

Early in 1929 Chang Hsueh-liang made demands upon the Russians which could not be ignored. They included: (1) The Russian chief of the Commercial Department of the Chinese Eastern Railway, who did all the purchasing for the road, was to be replaced by a Chinese. (2) The telephone and telegraph systems should be detached in their entirety from the railway and controlled by Mukden. (3) The Chief of the Accounting Department should be a Chinese. (4) All lands heretofore controlled by the railway but not provably absolutely essential to the maintenance of the road were to be returned to Chinese control. (5) Mines and forests exploited by the railway under the original agreements were to be turned over to the Chinese. Accord-

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<sup>85</sup> Liang, 209-210.

<sup>86</sup> Sato, 3.

ing to a well-known Japanese correspondent, it was the extreme seriousness of these demands which led Soviet Consul-General Melnikoff of Harbin to call a conference in Harbin on May 27, 1929. It was this meeting at the Harbin consulate which was raided by the Chinese on the grounds that a plot against the Chinese nation was under way.<sup>87</sup>

The history of this period seems to indicate that the numerous official and unofficial pronouncements looking toward the establishment of full Chinese sovereignty throughout China were being actually put into effect in North Manchuria. The Russians were, undoubtedly, being hard pressed.<sup>88</sup> Since the Shanghai Incident of 1925 the Chinese in North Manchuria had temporarily imprisoned the Russian manager of the Chinese Eastern Railway, had arbitrarily supplanted Russian municipal councillors in Harbin by Chinese, had successfully demanded the creation of many new Chinese posts on the railway, had seized the railway fleet, schools, and lands, had raided Russian commercial organizations, had won their demand for equal deposit in Chinese banks of the railway funds and for an equal share in new profits, had seized the Harbin telephone system, and were now pressing for even more significant concessions. Chinese nationalistic aims in North Manchuria were being rapidly realized.

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<sup>87</sup> Kawakami, "The Russo-Chinese Conflict," *Foreign Affairs*, January, 1930: 52-68.

<sup>88</sup> It has been stated that the suicide of the railway's general manager, Lashevitch, who succeeded Ivanoff, was due as much to the increasing Chinese harassment as to ill health.—Kawakami, "The Russo-Chinese Conflict," *Foreign Affairs*, January, 1930: 64.

## VIII

### THE BREAK IN SINO-RUSSIAN RELATIONS

#### A. THE HARBIN CONSULAR RAID

On May 27, 1929, the Soviet consulate in Harbin was raided by Chinese police. The Chinese authorities stated that for some time Moscow had been utilizing its position in the Chinese Eastern Railway to spread communist propaganda and to damage the existing Chinese government.<sup>1</sup> The Chinese held that the raid was "found necessary as a means of preserving the present régime from being forcibly overthrown by violence." Partly burned papers were found which, it was claimed, gave concrete evidence that there was a well planned plot brewing to overthrow the Nanking government and to win China to communism. General Feng Yü-hsiang was being backed, apparently, by Moscow in his opposition to the Nationalist government of China.<sup>2</sup>

Of the Soviet citizens arrested during the raid, thirty-eight were held for trial in October. Thirty-seven of them were eventually given sentences ranging from two to nine years at hard labor.<sup>3</sup> Consul Kuznetzoff of Mukden and Consul-General Melnikoff of Harbin were detained at the residence of the chief of police. Mr. Melnikoff was notified that the raid was directed not at the consulate, but at the Third International. A Japanese consular report from Harbin surmised that the raid was connected with a Chinese campaign to gain full control of the Chinese Eastern Railway.<sup>4</sup> This theory was based on the fact that previous to the raid there had been little official Chinese allegation that the railway authorities were guilty of propaganda, and because the Chinese action was similar in purpose and

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<sup>1</sup> Mohr, "Tatsachen und Entwicklungen im Konflikt um die Ostchinesische Eisenbahn," *Ostasiatische Rundschau*, August 1, 1929:407-408.

<sup>2</sup> International Relations Committee, *The Sino-Russian Crisis*, 1-12. Cited hereafter only by name of Committee.

<sup>3</sup> *China Year Book*, 1929-1930:1217.

<sup>4</sup> *New York Times*, May 29, 1929:8.



nature, though more extreme, to a number of recent moves by the Nanking government.<sup>5</sup>

On May 31, L. M. Karakhan, acting commissar for Foreign Affairs in Moscow, sent a protest to the Chinese government. The Chinese police charge that there had been a meeting of the Third International in progress, was called "extraordinarily flagrant and stupid . . . an obvious and senseless invention." The note went on to say,

The Soviet Government is forced to bring to the attention of the government of the Chinese Republic the fact that the lawless attack of the police on the consulate General [*sic*] of the U.S.S.R. in Harbin took place after a prolonged campaign raised against the Soviet Union. . . . The situation that has been created is the more serious in view of the fact that the recent events were preceded by the attack on the embassy of the U.S.S.R. in Peking on April 6, 1927, the white-guard attack on the Soviet consulate in Shanghai on October 25th, 1927, the destruction of the Soviet consulate in Canton in December, 1927, accompanied by the murder of five of its employees, and a series of violent actions directed against the Chinese Eastern Railway, by the Chinese.

A demand was made for the release of Soviet prisoners in Harbin and for the return of the correspondence and other goods and money taken. Henceforth Chinese citizens and consular representatives in Russia would be treated as Soviet nationals were treated in China. Finally, the Nanking government was vigorously warned against further trying the patience of the Soviet government by "provocative actions and the violation of treaties and agreements."<sup>6</sup>

The next incident reported was the arrest on June 2 at the frontier station of Manchouli of the Soviet consul-general from Mukden, the Soviet vice-consul from Harbin, and one of the Russian directors of the Chinese Eastern Railway. They were on their way from Manchuria to Moscow.<sup>7</sup>

On June 9 it was reported that owing to the contemptuous silence with which China had greeted Karakhan's official protest the Soviet government might close the Sino-Russian frontier and direct traffic from the Chinese Eastern Railway to the Amur-Vladivostok route; also that it might denounce the 1924 treaty in which extraterritoriality and other special privileges had been surrendered.

<sup>5</sup> H. S. Quigley, "The Struggle to Control the Chinese Eastern Railway," *Current History*, September, 1929:1106. Hereafter references to this article will include merely the writer's name and the page.

<sup>6</sup> *Soviet Union Review*, July-August, 1929:112-113.

<sup>7</sup> Toynbee, 1929:348.

On June 10 an official spokesman for the Nanking government was quoted as stating that China had no intention of utilizing the present opportunity to take over the Chinese Eastern Railway. Chang Hsueh-liang was on the same day reported to have admitted responsibility for the raid of May 27. On June 11 Dr. C. T. Wang, the Nanking Minister for Foreign Affairs, disavowed any responsibility for the Harbin affair and offered to make a thorough investigation.

On June 12, however, it was reported that the Nanking government was considering a break with Russia because of Moscow's exploitation of the railway in spreading propaganda. Certain leaders were reported to hold that before relations were officially restored "the Russians must agree to the retrocession of the Chinese Eastern Railway to Chinese authority and to the dissolution of the Chinese Eastern labor unions." The latter were held to be far too influential.<sup>8</sup>

The Central Executive Committee of the Kuomintang, meeting in Nanking at this time, reiterated its desire that the abolition of all unequal treaties and the retrocession of unfavorable foreign concessions be completed within the shortest time possible. In a manifesto issued on June 18, 1929, the Kuomintang officially stated that

. . . . in order to carry out the principles of the party . . . . we must bear in mind . . . . the attainment for China of a status of equality and complete freedom . . . . as long as our political sovereignty is impaired we are unable to exercise the fullest freedom in our constructive work . . . . we should proceed with an attitude of determination, and with a method which is really practicable.<sup>9</sup>

This patriotic campaign still appeared to the Nanking leaders to be meeting with marked success in North Manchuria.

## B. CHINESE APPROPRIATION OF THE CHINESE EASTERN RAILWAY

When the Chinese carried their campaign for the recovery of foreign concessions in North Manchuria to what they hoped would prove to be a successful consummation on July 10, 1929, by taking full control of the railway, they brought the Chinese Eastern Railway into the focus of world attention. A chronological account of the events which occurred between the seizure in July and the ending of

<sup>8</sup> *New York Times*, June 5, 1929:6; June 11, 1929:6; June 12, 1929:7; June 13, 1929:16.

<sup>9</sup> "Manifesto of the Kuomintang Central Executive Committee," in Blakeslee, 560-561.

the conflict five months later will lend further support to the thesis that the aroused Chinese nation-wide determination to set up sovereign power in Manchuria as elsewhere in China had prompted the policy of pressing forward on any and every pretext against an enemy which until near the end seemed not to consider it possible or expedient to withstand the attack.

At 7 a.m. on July 10, 1929, Chinese police, under the orders of General Chang Ching-hui, seized the entire communications system of the railway and closed all branches of "Dorcom," the Russian railway employees' union. The Russians immediately declared a general strike and the Chinese countered with general arrests. One hundred and seventy-four Soviet officials and employees were incarcerated. The Chinese police headquarters issued a *communiqué* stating that the raid was due to evidence discovered in the May raid.<sup>10</sup> The Soviet Trade Mission, the Soviet Mercantile Marine at Harbin, the Textile and Naptha Syndicates, and the trade unions were closed. Numerous Soviet citizens were arrested or commanded to leave Chinese territory.<sup>11</sup>

On July 11 General Manager Emshanoff was removed by the order of Lu Yung-kuan, president of the railway, and Fang Tsi-kuang, who the day previous had been appointed assistant manager of the road, was made general manager. Mr. Emshanoff was detained in his own house. An *émigré*, Mr. Kozlovsky, was appointed technical manager.<sup>12</sup>

On July 12 the railway president, Mr. Lu Yung-kuan, issued an explanation of the Chinese actions. He stated that although Mukden faithfully sought to carry out the terms of the 1924 agreements Moscow had consistently flouted them. He had repeatedly demanded of the Russian manager that China be given parity of control; that an equal number of Chinese be employed, and that the Chinese language as well as the Russian should be officially used. But the Russians had offered resistance. He then stated that the recent Harbin raid had proved unmistakably that Moscow was exploiting the railway for communist propaganda, that all the leading Russian employees were engaged in propaganda, and that the railway trade unions were chiefly used to strengthen Russian domination of the road.<sup>13</sup> The Chinese

<sup>10</sup> *New York Times*, July 11, 1929:11.

<sup>11</sup> Toynbee, 1929:348-349.

<sup>12</sup> Sokolsky, 53.

<sup>13</sup> *Ibid.*, 53-54.

president further stated that "if Russia resorts to retaliatory measures China is prepared to deal effectively with them."<sup>14</sup>

A few days after Mr. Lu's statement Chiang Kai-shek indicated that the seizure of the railway had been merely one step in the drive to achieve Chinese sovereignty. He frankly stated, "We wished first to take over the Chinese Eastern Railway before proceeding to other issues. There is nothing remarkable in this as Russia has always declared she wanted to give the railway back to China, but actually she has been tightening her grip on it."<sup>15</sup>

On July 13 the Soviet government handed to the Chinese embassy in Moscow a three-day ultimatum threatening the use of force unless China consented to three proposals: (1) to call a conference immediately to regulate Chinese Eastern Railway questions; (2) to cancel immediately all arbitrary orders regarding the railway; (3) to release all arrested Soviet nationals immediately and to cease persecution of Soviet citizens and institutions. The Soviet government pointed out to the Chinese authorities that it had the power necessary to protect lawful Russian interests.<sup>16</sup>

On July 16, just within the time limit, Dr. C. T. Wang wired a reply to Mr. Hsia Wei-sun, acting Chinese chargé d'affaires at Moscow, for transmission to the Soviet government. The note called attention to the organized propaganda which had been carried on to the detriment of China, propaganda which had necessitated the Harbin raid and the termination of Russian domination of the Chinese Eastern Railway. Attention was called to the alleged unjustified arrest of more than one thousand Chinese merchants by the Soviet government. The request was then made that the imprisoned Chinese be released and that adequate protection be accorded Chinese citizens henceforth. Finally it was stated that Minister Chu Shao-yang would make an investigation for the national government and then negotiate matters within the Soviet Foreign Office.<sup>17</sup>

Angered at the Chinese reply which was considered "unsatisfactory in content and hypocritical in tone," Moscow, on July 17, broke off relations with China. All Soviet officials were withdrawn, rail

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<sup>14</sup> *New York Times*, July 12, 1929:3.

<sup>15</sup> Quigley, 1101.

<sup>16</sup> *Soviet Union Review*, September, 1929:130-132.

<sup>17</sup> *International Relations Committee*, 28-29.

communication was suspended, and Chinese officials in Russia were requested to leave without delay.<sup>18</sup>

On July 18 Henry L. Stimson, American Secretary of State, brought to the attention of both China and Russia their commitments under the Paris Treaty for the Renunciation of War. Three days later he received a reply from both expressing intention to observe the Pact. On the same day Nanking stated that if Russia broke her word an appeal would be made to the League of Nations.<sup>19</sup> On July 20 the Nanking Ministry of Foreign Affairs sent a manifesto to foreign Powers giving the Chinese side of the dispute. The desire to avoid conflict was earnestly expressed and responsibility for whatever trouble might arise was placed upon Russia.<sup>20</sup>

On July 22 the Chinese government sent a second note to Moscow affirming willingness to negotiate. On the same day Moscow refused a French offer to mediate on the grounds that until the *status quo ante* was restored on the Chinese Eastern Railway a judicial basis for negotiations would be lacking.

On July 23 the Mukden government issued a statement detailing Russia's overt actions in recent days and expressing willingness to respect the 1924 treaty.<sup>21</sup> On the same day the publicity department of the Central Committee of the Kuomintang issued a statement placing the entire blame for the ousting of the Russians from the railway upon Moscow, and stating that although the Chinese government was peacefully inclined it would "adopt proper measures for the purpose of self-defense in case the Soviet government should start hostilities against China."<sup>22</sup>

Fearing the outbreak of war, United States Secretary of State Stimson at this time took steps through conversations with the Chinese minister and the ambassadors of Great Britain, France, Japan, and Italy to see that the attention of both China and Russia was called to the fact that they were signatories to the Kellogg Pact. To the French ambassador the Secretary of State expressed the hope that the French government would present the matter to Russia. On July 23 Mr. Stimson told a secretary of the German embassy of the conversations

<sup>18</sup> *Soviet Union Review*, September, 1929:132-133.

<sup>19</sup> Quigley, 1103.

<sup>20</sup> *International Relations Committee*, 24-26.

<sup>21</sup> Quigley, 1103.

<sup>22</sup> *International Relations Committee*, 22-24.

of July 18 and stated that action by the German government would be appreciated. On July 20 the British government indicated approval of the steps taken by the United States. On July 22 the French ambassador reported that M. Briand in Paris had interviewed the Russian ambassador and the Chinese minister. On July 22 the Japanese ambassador informed Mr. Stimson that on July 19 the Japanese Minister of Foreign Affairs had seen the Russian and Chinese representatives at Tokyo and that they both disclaimed intention to resort to arms. On July 22 the Chinese minister in Washington called on Mr. Stimson and disclaimed war intentions. On July 24 the Italian ambassador stated his accord in the peace move. On July 26 the German government's satisfaction with the action of the United States was expressed.<sup>23</sup> It was generally understood at Washington that Secretary Stimson had intimated that as a preliminary step it seemed desirable for the Chinese to reestablish Russian participation in the administration of the Chinese Eastern Railway.<sup>24</sup>

China had apparently counted upon foreign sympathy in her struggle with Russia and now appeared rather dismayed that this sympathy was not very apparent. The Japanese, especially, seemed anxious that China be not allowed to establish a precedent of taking over foreign railway rights by force. On August 1, at the Institute of Politics at Williamstown, Massachusetts, Chinese Minister C. C. Wu, on the defensive, took occasion to point out that it was erroneous to suppose that China had actually seized the Chinese Eastern Railway. She had merely exercised the right of self-defense in ejecting foreigners who were planning to do her harm.<sup>25</sup> Whatever the foreign attitude in the matter, many Chinese were united in the conviction that the campaign against Russia's special position in North Manchuria should be carried on vigorously. On July 29 a characteristic revolutionary Chinese proclamation was issued by the Harbin branch of the Kuomintang Party. Its chief features were as follows:

The Chinese Eastern Railway has been permitted to exploit China and to oppress the Chinese people for the benefit of Soviet Russia. Now the Chinese have finally begun to resist. Russia is trying to destroy the Chinese democratic revolution and the unity of the Republic. The Soviet Government is still

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<sup>23</sup> U. S. State Department, "Address on American Policy and the Chinese-Russian Dispute," by S. K. Hornbeck, August 27, 1929:1-13.

<sup>24</sup> Quigley, 1103.

<sup>25</sup> *New York Times*, August 2, 1929:19.

following the policies of Tsarist Russia and is "using even stronger methods than were used by the Tsar." The Chinese Government must take back all its rights in the Chinese Eastern Railway without qualification.<sup>26</sup>

In the midsummer of 1929 the campaign to restore full Chinese prestige in North Manchuria still seemed to be progressing splendidly. With evidence discovered in the Harbin raid as excuse for the seizure of the Chinese Eastern Railway and with the Powers, although not actually siding with China, at least interesting themselves in preventing Russia from a resort to armed retaliation, the Chinese patriotic movement to free their country from foreign domination appeared to be destined for success.

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<sup>26</sup> Powell, *China Weekly Review*, September 7, 1929:45.

## IX

### SETBACK TO THE CHINESE CAMPAIGN IN NORTH MANCHURIA

#### A. INTERMITTENT PEACE TALKS AND WAR ACTS

At the end of July negotiations were opened at Manchouli between B. N. Melnikoff, who had been the Soviet consul-general at Harbin, and Tsai Yun-sheng, Mukden's commissioner of foreign affairs. The proposals made by the Mukden authorities were found unacceptable for they ignored the matter of the appointment by Soviet Russia of the Chinese Eastern Railway manager and his assistant. Furthermore, the proposal by the Soviet government, that the post-conflict status of the railway be in accordance with the Peking and Mukden agreements of 1924, was countered by the Mukden demand that the current status of Chinese control be legalized.<sup>1</sup> Because of these conflicting demands the Manchouli conversations were terminated.

On August 1 Minister Sun Fo, of the Nanking government, told press representatives that China intended to negotiate on the basis that, while all rights and interests in the Chinese Eastern Railway would be placed under joint Sino-Russian control, the administrative power over the railway would be kept by China.<sup>2</sup>

With the breaking off of the Manchouli parleys early in August military activities increased. Because of alleged threatening movements of White Russian marauders near the border the Soviet government was reported to have mobilized all the reserves of the Red army residing in Eastern Siberia.<sup>3</sup> Russian aeroplane demonstrations over Chinese territory occurred. There were further arrests of Soviet citizens employed on the railway. Skirmishes between Chinese and Russian troops were reported. On August 15 Marshal Chang Hsueh-liang dispatched an additional 20,000 troops to the east and west fronts.<sup>4</sup>

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<sup>1</sup> L. M. Karakhan, *Soviet Union Review*, September, 1929:133-134; Toynebee, 1929:356-357.

<sup>2</sup> *New York Times*, August 2, 1929:7.

<sup>3</sup> *Ibid.*, August 1, 1929:6.

<sup>4</sup> Quigley, *Current History*, October, 1929:199-200.



On August 19 Minister Wu presented a memorandum to the State Department in Washington, setting forth, once more, the Chinese side of the controversy. The Chinese were apparently disturbed over the fact that many neutrals did not take seriously the charges of Russian propaganda on the Chinese Eastern Railway, but rather considered the charge as merely a pretext for the carrying forward of the Chinese national policy of establishing complete sovereign power throughout her territories.<sup>5</sup> Not that there was much doubt of the fact that Soviet propaganda activities had been present in North Manchuria, as in other parts of the world,<sup>6</sup> but Chinese claims regarding specific documents captured were somewhat discounted. The authenticity of the documents allegedly incriminating Russian communists had already been brought into question in China owing to the proved skill of Russian *émigrés* in supplying clever forgeries. In respect to certain of the papers allegedly captured in the raid on the Harbin consulate, it was shown that some had been written in an alphabet which had not been used since the Russian revolution.<sup>7</sup>

On August 19 Moscow delivered a declaration to the German embassy for transmission to the Nanking and Mukden governments enumerating border raids by Chinese troops and White Guardists.<sup>8</sup>

On August 21 the Nanking government announced that it was "ready at any time within the limits of possibility to discuss and settle with the Soviet Government."<sup>9</sup>

On August 22 Sun Fo, Minister of Communications in Nanking, stated that as a result of a recent conference with Chang Hsueh-liang he could announce that all railroads in Manchuria were to be placed under the control of the Nanking Communications Ministry.<sup>10</sup> On August 27 the Chinese members of the board of directors of the Chinese Eastern Railway held a meeting in which the Chinese lan-

<sup>5</sup> Foreign Policy Association, *News Bulletin*, July 19, 1929:2.

<sup>6</sup> Numerous documents which, if authentic, prove Soviet Russian activity in spreading communist propaganda in China, are to be found in N. Mitarevsky, *World Wide Soviet Plots*. Denial of aggressive propagandizing is to be found in L. Trotsky, *My Life*. A main reason for Trotsky's banishment from Russia was due to his insistence that Stalin was betraying the communist cause by restraining communist activities in China (Trotsky, 529).

<sup>7</sup> H. Kellock, "The U.S.S.R. and the Chinese Eastern Railway," *Nation*, August 7, 1929:141.

<sup>8</sup> *Soviet Union Review*, October, 1929:146-147.

<sup>9</sup> Blakeslee, 99.

<sup>10</sup> *North China Herald*, August 31, 1929:319.

guage was used exclusively. They passed a resolution making Chinese the official language of the railway.<sup>11</sup>

Toward the end of August a settlement seemed near, but on September 1 Dr. C. T. Wang announced that China would not agree to the appointment of a new chairman of the railway's board of directors. Following this breaking down of negotiations which were being carried on through Dr. von Dirksen, the German ambassador in Moscow, border incidents increased in number and seriousness.<sup>12</sup>

On September 6 *Izvestia* published an interview with M. Litvinoff, acting commissar for Foreign Affairs, in which attention was called to the fact that, during the five years of joint administration of the Chinese Eastern Railway, China had received about 48,500,000 gold rubles as its share of the profit. The statement included the charge that over 2,000 Soviet citizens were confined in concentration camps under unbearable conditions.<sup>13</sup> On the same date Moscow delivered a note to the German embassy protesting against brutalities perpetrated on Soviet citizens in Manchuria, and enumerating new border attacks by Russian Whites and Chinese.<sup>14</sup>

Although Chang Hsueh-liang several times stated that he had never made use of White Guards in his warfare with Soviet Russia there can be no doubt that bands of *émigrés* were a factor to be reckoned with. These *émigrés* numbered approximately 12,000 in Manchuria, and according to a *New York Times* dispatch from Riga were chiefly active in the destruction of railroad tracks and bridges, rather than in fighting.<sup>15</sup> A report from Mukden late in August stated that although Chang Hsueh-liang denied that he had employed White Russians he was having difficulty in quashing their activities.<sup>16</sup>

On September 25 the Soviet government despatched a note to China via the German Foreign Office citing twenty-eight more attacks upon Soviet territory by Chinese troops and White Guards.<sup>17</sup> On

<sup>11</sup> *China Weekly Review*, September 7, 1929:40.

<sup>12</sup> Quigley, *Current History*, October, 1929:200; *Soviet Union Review*, October, 1929:147.

<sup>13</sup> *Soviet Union Review*, October, 1929:148.

<sup>14</sup> *Ibid.*, 149-151.

<sup>15</sup> *New York Times*, August 24, 1929:1.

<sup>16</sup> *China Weekly Review*, August 31, 1929:11-12.

<sup>17</sup> Quigley, *Current History*, November, 1929:409-410.

October 12 still another protest against specified attacks was sent to China by the Moscow Foreign Affairs commissariat.<sup>18</sup>

On October 25 Nanking issued a manifesto addressed to the powers signatory to the Kellogg Pact reviewing the Chinese Eastern Railway conflict to date. It was held that China's eagerness to negotiate had been nullified by Moscow's unreasonableness and that reports of Chinese aggression were entirely false. Nanking stated:

Notwithstanding contrary reports fabricated by the Soviet propagandists, no Chinese soldier or aeroplane or war vessel has crossed the frontier or invaded Soviet territory. On the other hand, it was the Soviet side that commenced the offensive, while the hostilities always occurred within Chinese territory. If any Chinese gun has been fired it was fired in self-protection . . . if a state of war should eventuate from the Soviet Government's incessant provocations, the responsibility for violating the peace of the Far East must be borne by the Soviet Government.<sup>19</sup>

On November 14 Nanking submitted a proposal for a Sino-Russian commission to study border conditions. Moscow termed the suggestion insincere. At about the same time Nanking addressed an appeal to the signatories of the Kellogg Pact asking that Russia be halted and punished for her violation of the Pact.<sup>20</sup>

Apparently stung by these latest moves Moscow intensified her military pressure. On November 17 a vigorous attack was launched in the west. Both Manchouli and Djailanor were captured. Soviet troops were not numerous. Foreign neutral observers report that probably never more than 3,000 Red Russians were on Chinese soil. Hailar marked the farthest advance of Russian land forces, although air raids were made as far as Buheto, a point on the railroad south-east of the Khingan Mountains. Hailar was held for about a month by a Soviet garrison of about 300 infantrymen and 200 mechanics and pilots of the air force.<sup>21</sup>

At Mukden this military disaster had the immediate effect of inducing Marshal Chang Hsueh-liang to sue for peace on Soviet terms. On November 19 Mr. A. Simanovsky, representative of the Soviet Commissariat of Foreign Affairs, stationed at Khabarovsk, received a telegram from Mukden announcing that envoys were being dispatched

<sup>18</sup> *Soviet Russia*, November, 1929:185.

<sup>19</sup> *Manifesto on the Sino-Soviet Dispute over the Chinese Eastern Railway*, reprinted in *North China Herald*, November 2, 1929:159.

<sup>20</sup> Quigley, "Kellogg Pact Invoked in the Soviet-Chinese Dispute," *Current History*, January, 1930:758.

<sup>21</sup> Toynbee, 1929:362; *Week in China*, November 30, 1929:1017.

with a message. On November 21 at Pogradichnaya, a Chinese army officer, accompanied by a member of the staff of the Soviet consulate at Harbin, crossed the frontier and delivered a message to the effect that Mr. Tsai Yun-sheng had been empowered to open negotiations for a settlement. The Soviet government replied by demanding as a preliminary the acceptance of the conditions which had been laid down by the Soviet government in its ultimatum of July 13. In a telegram of November 26 Marshal Chang accepted the preliminary conditions.<sup>22</sup> On December 1, at Nikolsk-Ussuriisk, Messrs. Tsai and Simanovsky began negotiations.<sup>23</sup>

On December 3 a preliminary agreement was signed. It stipulated that Lu Yung-huan be dismissed from the chairmanship of the board of directors of the railway. Upon Lu's dismissal the Soviet government was to recommend new candidates for the post of manager and assistant manager in place of Messrs. Emsharov and Eismont. The Soviet government, however, reserved the right to appoint the two deposed officials to other posts in the service of the railway. Both governments expressed their intention to conform strictly to the whole of the 1924 agreements.<sup>24</sup>

#### B. AMERICAN INTERVENTION

Just at this time the United States took a hand. On December 2 an appeal was made to Russia and China to avoid warlike measures. The appeal to Moscow was transmitted through the French Foreign Office. With the exception of Japan and Germany the other interested Powers had expressed approval of the American action.

On December 3, with the announcement that an agreement had been signed, came a statement from M. Litvinoff, of the Soviet Foreign Office, that the American action of December 2 was deemed "an unfriendly act."<sup>25</sup> The Russian memorandum stated,

During recent years the Nanking Government, evading by its usual methods settlement of the conflict by diplomatic ways, has carried on toward the Soviet Union a provocative policy of violation of the customary rules and treaties, notwithstanding the fact that these treaties were not imposed on the Chinese by force but were concluded on the basis of full equality and free will and

<sup>22</sup> Toynbee, 1929:363; *North China Herald*, November 30, 1929:329.

<sup>23</sup> Toynbee, 1929:367.

<sup>24</sup> Nikolsk-Ussuriisk Protocol, translated in J. W. Wheeler-Bennett, *Documents on International Affairs*, 280-281.

<sup>25</sup> *London Times*, December 4, 1929:14; Kingman, "Why Moscow Was Indignant," *Unity*, January 20, 1930:279-281.

that the Soviet Union voluntarily surrendered in these treaties extraterritorial consular jurisdiction and other privileges which the Chinese Government until now has been vainly trying to abolish in regard to other powers. The climax of this policy was the seizure of the Chinese Eastern Railway without any warning or preliminary presentation of claims, in violation of existing agreements regarding the joint administration of the railway. . . . The Nanking Government not only resorted to illegal seizure of the Chinese Eastern Railway but mobilized along the Manchurian Railway an army, various sections of which, together with counter-revolutionary Russian bands included therein, made systematic attacks on the U.S.S.R., crossing the frontier and firing on units of the Red Army and frontier villages, robbing and violating a peaceful population, causing thereby losses of lives and property.

The memorandum concluded with the charge that the United States had acted at a moment when Moscow and Mukden were practically at an agreement and had therefore performed an unfriendly act. The American action was taken as an attempt to bolster Nanking in its determination to maintain an unyielding attitude toward Russia.<sup>26</sup>

On December 5 the Mukden authorities officially confirmed the Tsai-Simanovsky declaration.<sup>27</sup> On December 13 a more formal conference was begun in Khabarovsk in Siberia and on December 22 a protocol was signed by Tsai Yun-sheng, representing both Mukden and Nanking, and Mr. A. Simanovsky for Soviet Russia.<sup>28</sup>

### C. SOVIET RUSSIA'S RETURN TO POWER

At Khabarovsk both nations agreed to the restoration of the situation existing prior to the conflict and based upon the Mukden and Peking agreements of 1924. All outstanding problems that had arisen since joint control of the railway had been inaugurated were to be

<sup>26</sup> M. Litvinoff, "Report to the Central Commissariat of the U.S.S.R.," December 4, 1929, translated in Wheeler-Bennett, 196-198.

In justice to Secretary Stimson it should be said that his move was inaugurated several days prior to its announcement on December 2. The necessity of dealing with Soviet Russia through roundabout channels made the delay inevitable.

<sup>27</sup> Quigley, "Kellogg Pact Invoked in the Soviet Chinese Dispute," *Current History*, January, 1930:758-760.

<sup>28</sup> Weigh, "Latest Developments in Sino-Soviet Diplomatic Relations," *China Weekly Review*, September 13, 1930:50.

It should perhaps be noted that Mukden's surrender at a time when the Nanking government was still in an unconciliatory mood was partly due, undoubtedly, to the fact that Manchurian officials were experiencing heavy personal financial losses. The Soviet forces had designedly concentrated an attack upon coal districts, river shipping, and the tea industry in which both Marshal Chang Hsueh-liang, of Mukden, and Governor Chang Tso-hsiang, of Kirin, were especially interested (*Trans-Pacific*, September 5, 1929:10-11). Be this as it may, Moscow had clearly shown that it stood ready to take strong measures to protect legitimate interests in North Manchuria, and realizing her military inferiority Mukden found it expedient to yield.

settled at a forthcoming conference. In the meantime the following measures, in addition to the restoration of the *status quo ante* in railway administration already noted, should go into effect: the release by both nations of all prisoners arrested in connection with the conflict; restoration of discharged Soviet citizens to their positions with the railway; discharge of Russian *émigrés* who had been employed since the break; the disarming of White Guard detachments and the deportation from Manchuria of their organizers; immediate restoration of Soviet consulates on Manchurian territory and of Chinese consulates in the Soviet Far East; restoration in each nation for the nationals of the other nation of all privileges and full inviolability to which international law and custom entitle them; opportunity for resumption of the normal activity of all business organizations existing in either nation before the rupture; the question of commercial relations and of real guaranties for the observance of agreements and interests of both sides to be settled at the coming Sino-Russian conference; this conference for the regulating of all outstanding questions to be opened at Moscow on January 25, 1930; the cessation of war-like activities on the border and the withdrawal of troops to go into effect immediately.<sup>29</sup>

A reading of the protocol signed at Khabarovsk indicates the thorough-going way in which Soviet Russia resumed its commanding position in North Manchuria. When made public it stirred protests and temporary resentment throughout China. It was regarded, south of the Great Wall especially, as an out and out capitulation upon Russian terms. The Nanking government indicated that it was disinclined to accept the treaty.<sup>30</sup> As one Chinese spokesman put it, "China because of her desire to maintain peace has consented to everything." In Article V of the protocol, China indirectly admitted that her seizure of the railway had been illegal. Conspicuously absent from the protocol was any mention of Soviet propaganda or of war damages.<sup>31</sup> Neutral commentators were all of the opinion that Russia had won a complete triumph. An American observer declared that "the imposition of the will of Soviet Russia upon the Chinese plenipotentiaries was clearly indicated."<sup>32</sup>

<sup>29</sup> "The Khabarovsk Protocol," translated in Wheeler-Benett, 281-284.

<sup>30</sup> Quigley, *Current History*, March, 1930:1238.

<sup>31</sup> Weigh, "Latest Developments in Sino-Soviet Diplomatic Relations," *China Weekly Review*, September 13, 1930:51.

<sup>32</sup> Powell, "Has the Chinese Position in Manchuria been Weakened?" *China Weekly Review*, January 4, 1930:168-171.

One of the first manifest results of the Khabarovsk agreements was the return of Soviet officials and citizens who had been driven out five months previous. The first contingent to arrive at the Harbin station was given a triumphal reception by several thousand cheering Russians carrying flags of the Soviet Union. It was reported that when the Chinese police attempted to maintain order they were overpowered by a mob of hilarious Soviet citizens.

The new general manager of the railway, Mr. Rudyi, with his assistant Mr. Denissoff, went vigorously to work immediately upon taking over official control on December 31. One of his first moves was the dismissal of the White Russians and Chinese who had replaced the discharged Soviet nationals. The latter were given back their former positions.<sup>33</sup>

The Sino-Soviet conference provided for in the Khabarovsk Protocol was expected to open on January 25, 1930. But the Chinese delegation, headed by Mo Tê-hui, did not reach Moscow until the middle of May.<sup>34</sup> It soon became apparent that the Chinese, possibly in the hope that the Nanking government would shortly succeed in quelling internal rebellion, were loath to begin serious negotiation. With practically nothing yet accomplished an exchange of governmental notes took place early in October. The Soviet government complained of anti-Soviet activities on the part of White Russian bands operating from Manchurian territory. The Chinese promised to investigate and, if conditions were found to warrant it, to act in line with Moscow's desires in the matter. Little was done, however, and on December 30, 1930, the Soviet consul-general in Mukden protested against the continued Chinese failure to suppress White Russian depredations.

On December 3 it was reported that the conference in Moscow had to date proved quite abortive. Upon its official convening in October the Soviet government had sought to widen the scope of the conference agenda to include the whole question of diplomatic relations between China and the Soviet Union. The Chinese delegates, however, were under orders from Nanking to confine discussion to matters pertaining solely to the Chinese Eastern Railway. Mukden showed a conciliatory

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<sup>33</sup> Weigh, *ibid.*, 51-52.

<sup>34</sup> Toynbee, 1930:359.

attitude toward the Soviet demands but not so Nanking, to which government Mo Tê-hui was under the necessity of looking for instructions.<sup>85</sup>

With the Chinese stubbornly refusing to compromise, several reports of the massing of Soviet troops on the Manchurian border gained credence. These military demonstrations were interpreted by some as being calculated to induce the Chinese to display a more conciliatory spirit in the conference.<sup>86</sup>

At the end of December Mo Tê-hui found it necessary to return to Mukden and Nanking for new instructions. He started back to Moscow in March, 1931.<sup>87</sup> Upon the resumption of the conference the Chinese made the proposal that the Chinese Eastern Railway accept an earlier date than 1956 for the Chinese repurchase of the railway or accede to a lesser repurchase price than Moscow was expected to demand. On June 17 it was reported that the purchase by China of the Russian interest in the railway for \$200,000,000 was being seriously considered. Payment was to be made by remission of duties on Russian manufactures shipped into China.<sup>88</sup> Nothing came of this proposal. On August 20 the Russians were reported to have fired upon Chinese vessels at the mouth of the Sungari River.<sup>89</sup> At the time of the Japanese intervention in September, 1931, a development which was later to react disastrously upon the Russian position in North Manchuria, the Sino-Russian parleys in Moscow had not yet achieved anything of importance.

At the beginning of 1930, however, Soviet Russia, as has been noted, found herself again dominant in North Manchuria. Not only had the chief administrative authority in the Chinese Eastern Railway been recovered but her commercial strength had been enhanced. During 1930 Russian imports to Manchuria were considerably increased. A *Kuomin* dispatch of August, 1931, alleged that \$24,000,000 worth of Russian goods had been "dumped" on the North Manchuria markets during the preceding year. Chinese merchants were being crowded out.<sup>90</sup> Expelled in 1929, Soviet Russia, at the time of Japan's occupation of South Manchuria in the autumn of 1931, was again firmly entrenched in North Manchuria.

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<sup>85</sup> Toynbee, 1930:359; *New York Times*, December 3, 1930: 2.

<sup>86</sup> *New York Times*, October 29, 1930:8; February 22, 1931:11.

<sup>87</sup> H. B. Morse and H. F. McNair, *Far Eastern International Relations*, 768.

<sup>88</sup> *New York Times*, May 10, 1931:18; June 17, 1931:1.

<sup>89</sup> *China Weekly Review*, August 29, 1931:490.

<sup>90</sup> *Ibid.*, August 28, 1930:124-125; August 29, 1931:491.



## CONCLUSION

With the Japanese armed intervention of September, 1931, the Chinese nationalist campaign to assert ascendancy over the foreigner in Manchuria met a very serious setback. The drive which began in 1925 to oust Japan and Soviet Russia from positions of dominance had been stopped short. The gains of several years had been wiped out.

For four years Soviet Russia had been driven back step by step in North Manchuria until with the seizure of the Chinese Eastern Railway it appeared that China had won a decisive victory. But at this moment Moscow decided to resist forcibly. Despite the efforts of the United States of America and other neutral nations to thwart any extensive resort to armed intervention, the Soviet Union had been able late in 1929 to employ sufficient military pressure to recover, temporarily at least, her mastery over the Chinese Eastern Railway. The seizure of the railway, which was to have triumphantly climaxed the Chinese campaign against the foreigner in North Manchuria, had brought just the opposite dénouement. It had made possible the return of Soviet Russia to the strongest position that had been hers in Manchuria for a number of years. The conflict had proved costly to China in prestige and in money. Many Chinese business houses were forced into bankruptcy. Even the rather generous receipts which Mukden had been taking from the earnings and reserve funds of the Chinese Eastern Railway dwindled considerably as the developing Sino-Russian conflict decreased the earning power of the railroad.<sup>1</sup>

Soviet Russia had delivered a blow so effectively and decisively that the Chinese in Manchuria accepted the new situation with apparent resignation: The attitude of the Chinese toward what they seem to consider another of the familiar and inevitable barbarian invasions from the north, an invasion which they were convinced they could again, as in the past, eventually nullify, proved quite dissimilar from that which was taken toward similar actions by peoples from across the sea. A major military defeat by Soviet Russia did not arouse the baffled rancor

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<sup>1</sup> Sokolsky, 53.

among the Chinese that was being stirred at the time by minor diplomatic pressure on the part of Japan.<sup>2</sup>

Following the rather calm acceptance of the restored ascendancy of the Russians, Chinese nationalism redoubled its efforts to recover what had been lost to the Japanese in South Manchuria. Influenced much less by the conciliatory attitude of the Japanese Foreign Office under Baron Shidehara than by the simultaneous provocative activities and attitudes of the Japanese military in Manchuria, the drive against Japan was pressed with such persistence that, as has been indicated, the Japanese became increasingly apprehensive. The building of a Chinese railway system with a Chinese harbor as its terminus, the obstruction of Japan's efforts to construct the Kirin-Huning line or to extend in any way her control of railway communications in Manchuria, the resisting of Japanese attempts to lease land for railway or other purposes, the hindering of Korean enterprise and infiltration, the persistent expression of dissatisfaction with the existing legal position of Japan in South Manchuria, and the attempt by means of patriotic demonstrations, strikes, boycotts, discriminatory economic competition, and by all manner of non-cooperative activity, to attain the goal of Chinese ascendancy had by the autumn of 1931 made possible the tension in Sino-Japanese relations which has been described in this study. At the end of 1931 the final effect of the Chinese nationalistic campaign upon Manchurian railway developments had been to place, for the time being at least, all railways in South Manchuria under Japanese control.

Chinese nationalism, however, will continue to affect the situation in Manchuria. A Japan dominated by the military party as at present, can for a time maintain a large measure of control in the territories which the Chinese will continue to term their four eastern provinces. That Manchuria can be permanently alienated from China would seem to be quite unlikely. The Chinese are a virile and potentially powerful people. Mr. C. C. Wu, former Chinese minister to the United States, was probably correct when he said that "China will never rest until her full and undisputed sovereignty over Manchuria is recognized."<sup>3</sup> Having known, during ten years of residence in the Orient, several representatives of Young China, who since 1925 have given their lives to serve

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<sup>2</sup> Lattimore, 296-299.

<sup>3</sup> *New York Times*, August 19, 1928:23. Another Chinese leader, Mr. T. V. Soong, says, "As soon as China is a unified nation Manchuria will be retaken . . . eventually we will regain Manchuria."—*New York Times*, August 15, 1932:8.

their nation, and having known others who have courageously and persistently risked property and life in the same cause, the writer is led to predict that the Chinese campaign to end foreign encroachments upon Chinese sovereignty in Manchuria will persist.

It is primarily with China that the future of Manchuria seems to rest. So long as she remains in chaos, the essential cooperation between the nations chiefly involved in the problems of northeast Asia will be postponed. When China's internal stability is achieved, a solution may be imminent. As one commentator puts it, "Had China been strong there would have been no Manchurian question. Were she to become truly strong the question would be simplified."<sup>4</sup>

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<sup>4</sup> T. Iyenaga, quoted in Young, *Japan's Special Position in Manchuria*, 14.

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