military that our troops who are on their own national territory should withdraw, while the Japanese soldiers are to remain in their position of offensive and provocation. The situation is simply intolerable.

"I have the honour, therefore, to request that the Council will, in virtue of the powers with which it is invested by the Covenant, consider immediately and put into execution conservatory measures, to the end that the bloodshed which will begin to-morrow through the outrageous demand of the Japanese military, and for which they will be entirely responsible, may be stopped."

M. Sato, the Japanese delegate, as was his wont, rehearsed once again for his country the pleas of self-defence and of the maintenance of peace and order. The Japanese delegate charged that China was in a state of utter disorder and anarchy, and therefore thought that "the League of Nations could not in the present circumstances apply the Covenant to us rigorously as it would naturally be applied under normal conditions". He then complained that, in the League of Nations, his country failed to find an effective safeguard of her rights and was therefore compelled to adopt measures similar to those adopted in years past by other countries. Manchuria also took up much of the Japanese representative's time, who gave public approval, contrary to the declared policy of his Government, to the independence movement or what he called the "Manchuria for the Manchus" movement, which he said had been supported by Japan. 1

In reply to these remarks and charges of the Japanese delegate, the Chinese representative said in part as follows:

"While I admit there is a certain amount of disorder, it must be remembered that China is as large as Europe and has a population of four hundred million people. . . that China was an absolute monarchy and was suddenly transformed into a republic. In the process of readjustment, there must be a certain amount of unrest and commotion; but to describe China as being in a state of chaos and of anarchy is a libel of the clearest kind.

"The Japanese delegate speaks of a well-organised State. I am wondering whether a State like Japan, with the army and navy running amok and out of the control of the Government, is an organised State. When her diplomats come to the Council table and give promises one after another, apparently in sincerity and good faith, and when these same promises are violated the very next day, does that represent a well-organised Government? The Japanese gave solemn promises to the Governments of two or three great Powers not to go to Chinchow, but in a few days they were there. Does that represent a well-organised Government? Our people have been massacred in Japan itself during the earthquake, and over a hundred innocent Chinese merchants were killed in Korea only in the past year or so in pogroms. Does that represent a well-organised Government?

"To my mind, however, the Japanese delegate is somewhat contradictory in what he has said. On the one hand, he says China has no organised Government, that there is chaos and anarchy, and, on the other hand, Japan insists on negotiating with that very same Government. If it is a disorganised Government, why should Japan insist on direct negotiations with it? Why not have the matter settled in the League of Nations? That certainly is very difficult for me to understand.

"I may say at once that, if there has been disorder and civil war in China, a large part of the blame must be put on the shoulders of Japan, because she has subsidised and helped one party against the other from year to year. . . . Why is this? It is because Japan does not want to see China united and strong.

"It is to me amusing to hear the Japanese delegate complain that he gets no protection from the League. What kind of protection does he want? I should imagine that, so far from protection, Japan is deserving of some severe punishment. After the setting up of a puppet government in Manchuria, after all the bombardment that has gone on, Japan comes now to the League of Nations and asks for protection. I think that such a request is nothing short of absurdity.

"Japan has invaded China this time and done it in contradiction to the great virtues which we have always praised. There is, first, benevolence. China was suffering from enormous floods and some forty millions of people were rendered starving and destitute and yet Japan has taken the opportunity of attacking and invading us in direct contradiction to our conception of the idea of benevolence. Japan is famed for her knightlihood, bravery and courage, and yet she is fighting this moment against China in an undeclared war and refusing to shoulder its responsibilities. Is that bravery? Is that courage?

"Lastly, Japan, I think, has not acted wisely. I was a friend of Japan, but I must say that, in the present instance, by using force and by using aggression, she is only antagonising our people, who formerly were really keen on becoming friends with Japan. Is that wise? Because I can assure you that no settlement this time with Japan through the use of force and menace and threats will ever be a permanent settlement, and, if it is not going to be a permanent settlement, it is the height of folly for Japan to act in the way she has done. . . ."

1 Appendix VIII.
composed of five races, so the Manchus are one of the five races of China. But to-day the majority of the Manchus are no longer in Manchuria; they followed their emperors to China and are now scattered all over China. So to-day Manchuria is absolutely and purely Chinese. Manchuria is politically, historically and ethnically Chinese. The attempt of the Japanese delegate to make you believe that Manchuria is Manchu and non-Chinese is not a thing at all to be believed . . . .

"The Japanese delegate said, and he has said it repeatedly, that Japan has no intention to annex Manchuria. I am very much gratified to hear that; but, if my memory does not fail me, I think some years ago I heard the same thing about Korea. Japan was never to annex Korea, and yet to-day, if I am not mistaken, Korea is an integral part of the Japanese Empire. So that these assertions of the Japanese delegate are not always to be taken at their face value . . . .

"We are on the eve of a great battle. What is the Council going to do to attempt to put a stop to the bloodshed which is going to begin in about a few hours' time—7 o'clock to-morrow morning, Shanghai time? That, it seems to me, is the urgent matter which is before us, and I wish sincerely to hear from the Council what its decision is."

In view of the impending catastrophe, the Council, other than the Parties to the dispute, made a last-minute appeal to the Japanese Government in the following touching words of M. Paul-Boncour, the President:

"The Japanese delegate said as soon as the operations which are now in preparation have ensured that his nationals shall be safeguarded, then there will be no question of remaining on the ground that will by then perhaps be the field on which a battle has been won. I would urge the Japanese delegate to consider if there is not a terrible contradiction between his territorial disinterestedness and the possibility that the ground which they are going to evacuate as soon as they have attained their object will be the ground that has been strewn with the dead resulting from a great battle. The Japanese delegate has himself indicated rapidly but surely the means by which this may be prevented. He said that afterwards it would be easy to set up a neutral zone and to entrust to neutral authorities the guaranteeing of Japanese rights and the protection of Japanese rights. I would urge most strongly that it is not afterwards that that should be done; surely now is the time when such action should be taken . . . . If the delegate of Japan could extend the ultimatum, could prevent its expiring in a few hours, what an example he would give, what a service he would perform to the League of Nations. I urge this most sincerely with all my deepest conviction."

This appeal again fell on deaf ears. In the words of the Third Report of the Shanghai Committee:

"During the night, February 19th—February 20th, Japanese reinforcements were moved from their base in the International Settlement to the Japanese lines, and, after preliminary reconnaissance which satisfied the Japanese that the Chinese had not evacuated their lines in conformity with the demand, the Japanese opened attack February 20th at 7.30 a.m. in the Kiangwan and Woosung areas. Hostilities continued whole day."

The Council, at its meeting on February 19th, in compliance with China's request of February 12th, also adopted a resolution transferring the consideration of the Sino-Japanese dispute to the Assembly. The text of the resolution reads as follows:

"The Council,

"(1) Considering the request submitted by the representative of China, under the provisions of paragraph 9 of Article 15 of the Covenant, to the effect that the Sino-Japanese dispute should be referred to the Assembly:

"Decides that the said dispute is referred to the Assembly in accordance with Article 15, paragraph 9, of the Covenant.

"2. Considering that delegations from almost every Member of the League are now present in Geneva in order to take part in the Conference for the Limitation and Reduction of Armaments, thereby enabling the Assembly to meet at short notice:

"Decides that a meeting of the Assembly shall be held on March 3rd.

"3. Notes that the measures which have already been instituted in order to obtain information necessary for the consideration of the dispute will be continued.

"4. Requests the Parties to the dispute to use all diligence in communicating to the Secretary-General for the use of the Assembly the statements of their case with all the relevant facts and papers as provided for in Article 15, paragraph 2.

"5. The duty of the Council to continue its work for the maintenance of peace in accordance with the Covenant remains unaffected by the present decision."
IV. — THE REASONS ADVANCED BY JAPAN IN EXCUSE OF HER POLICY.

The preceding recital of events since September 18th rests upon the official records in the proceedings of the Council. The fundamental facts cannot be seriously controverted. Japan's plea, reduced to its lowest terms, is one of confession and avoidance. Unless the obligations assumed by Japan under the Covenant, the Pact of Paris and the Nine-Power Treaty are to be regarded as purely illusory and meaningless, there has been an admitted flagrant violation of the provisions of all three of these multilateral treaties. None of them contains any language which can conceivably be interpreted to permit resort to invasion or armed force on any pretext whatever in order to settle an international dispute. On the contrary, both the letter and the spirit of these instruments call imperatively for the employment of pacific means exclusively in every case without the slightest qualification or exception; no provocation or excuse is recognised. To concede that intervention by armed force can be resorted to on any ground, however plausible, is to admit that the treaties can, in specific cases, be set aside by unilateral action, and thus to undermine and destroy the entire peace structure which they support.

Assuming, however, that the plea of confession and avoidance can be listened to at all, let us examine briefly the various excuses which Japan has offered:

(a) The initial pretext was that, on the evening of September 18th, some rails were removed from the South Manchurian line just south of Mukden. China has denied this assertion flatly. Even if the incident occurred, its triviality and inadequacy as a justification for invasion and occupation of 200,000 square miles of Chinese territory is too apparent to require further comment.

(b) Having once embarked upon this enterprise and plunged all of Manchuria into chaos, Japan invoked the plea of self-defence, which is still put forward, strangely enough, to justify the attack upon Shanghai and the bombardment of the capital of China. Nowhere in the Japanese case is cynical disregard for the plain facts more patent than in this shameless and futile attempt to reverse the roles. The invocation of self-defence in behalf of an invading army suddenly launched upon China's territory in a time of profound peace is an affront to intelligence.

The Council has authoritatively stated that the right of self-defence must be interpreted in relation to the obligations under the Covenant. It is clearly not a plea open to the Covenant-breaker.

The British Foreign Minister, Sir Austen (then Mr.) Chamberlain, in his capacity of Rapporteur on the Greco-Bulgarian dispute, which began with a local combat between sentries and developed into the penetration into one party's territory of troops of the other, spoke as follows before the Council at its extraordinary session in October 1925:

"I call particular attention to the obligations of Articles 10 and 12 of the Covenant. Such incidents as that which has caused our present meeting have sometimes had very serious consequences in the past, when there was no machinery such as that offered by the League for their peaceful adjustment and for securing justice to both parties; but it would be an intolerable thing—I go so far as to say that it would be an affront to civilisation—if, with all the machinery of the League at their disposal and with the good offices of the Council immediately available, as this meeting shows, such incidents should now lead to warlike operations instead of being submitted at once for peaceful and amicable adjustment by the countries concerned to the Council, which will always have regard to their honour and to the safety and security of their nationals."

The President, who at that time, as during the greater part of the Sino-Japanese conflict, was M. Briand, the French Foreign Minister, said:

"He had understood the representative of Greece to indicate that all these incidents would not have arisen if his country had not been called upon to take rapid steps for its legitimate defence and protection. It was essential that such ideas should not take root in the minds of nations which were Members of the League and become a kind of jurisprudence, for it would be extremely dangerous. Under the pretext of legitimate defence, disputes might arise which, though limited in extent, were extremely unfortunate owing to the damage they entailed. These disputes, once they had broken out, might assume such proportions that the Government which started them under a feeling of legitimate defence would be no longer able to control them.

"The League of Nations, through its Council, and through all the methods of conciliation which were at its disposal, offered the nations a means of avoiding such deplorable events. The nations had only to appeal to the Council. It had been shown that the criticisms which had been brought against the League of Nations, to the effect that its machinery was cumbersome and that it found it difficult to take action in circumstances which required an urgent solution, were unjustified. It had been proved that a nation which appealed to the League when it felt that its existence was threatened could be sure that the Council would be at its post ready to undertake its work of conciliation."
These sentiments were endorsed by several members of the Council. The following passage may be quoted:

"Mr. Austen Chamberlain said that the declaration which the President had made as to the role which the League of Nations could play in cases such as that which had brought about the present meeting, and as to the restraint which nations concerned in unfortunate incidents of this character might be expected to exercise in view of the fact that the Council could be immediately convened and could use its good offices to reconcile disputants, was of such consequence for the position of the League of Nations and for the guidance of nations in future that he would like, on behalf of his Government, to express his complete concurrence in all the President had said and to thank him for having so completely defined the duties of nations and the duties of the League of Nations.

"Viscount Ishii (Japan) said that he entirely agreed with the statement made by the representative of the British Empire endorsing the declaration made by the President."

(c) Japan further alleges the need to protect the lives and property of her subjects. But even the Japanese do not seriously pretend that there was any danger to the lives and property of their nationals before September 18th. It therefore follows that, if the danger they now profess to fear be real, it has been created by their own violence and injustice and so will disappear with its cause. The Chinese Government has from the outset emphasised this fact, pointed to the efficient protection of the lives and property of Japanese nationals in the territory controlled by China, stated that it assumed full responsibility for protecting life and property and restoring and maintaining public order in the areas taken over from the Japanese troops, agreed to accept the suggestion for neutral participation made by the Council in October last, and to go further and co-operate with the Council in devising any measures on the spot with the assistance of the League that would satisfy the Council or its agents of the efficacy of such protection.

(d) A further pretext alleged is the need for suppressing bandits. Here, too, the danger of which the Japanese now complain has, in so far as it is real, been created by their own action. Just as gangs of criminals exist even in the great cities of the most highly civilised countries, it is not surprising to find that, among the agricultural population and nomads of frontier provinces like Manchuria, there are lawless elements who band themselves together and take to the mountains. But before September 18th, 1931, there were only about 2,000 such bandits throughout the vast area of Manchuria split up into small bands whose area of operations and numbers were known to the Chinese Government and which were incapable of seriously disturbing public order. The present conditions are due to the military occupation itself, which has destroyed every vestige of Chinese administrative authority.

The pretext of banditry should be treated with reserve, as it was part of the propaganda circulated at the end of December last by the Japanese Government to discredit the testimony of the neutral observers in South-West Manchuria and to afford an excuse for the taking of Chinchow in violation of the Japanese Government’s pledges. In addition, the Chinese Government has reason to state 1 that the Japanese Army authorities in Manchuria have been arming and encouraging brigands on a large scale, first with the object of creating trouble for the local authorities, and, secondly, in order to furnish a pretext for extending and consolidating the military occupation. So long as the Japanese occupation lasts, so long will every patriotic Chinese in and out of Manchuria deem it his sacred duty to combat the occupation and its puppets by every means in his power.

(e) The Japanese contend that they stand for law and order in Manchuria. It has just been shown that, from a practical and realistic point of view, Japanese attempts to maintain order in Chinese territory are doomed in the nature of the case to produce increasingly acute and disastrous disorder. Commenting on the exactly similar position when the Japanese Army occupied Eastern Siberia and alleged that it did so in self-defence to protect the lives and property of Japanese subjects and to maintain order, the United States Government, in a note dated May 31st, 1931, pointed out that:

"In its view, continued occupation of the strategic centres in Eastern Siberia . . . . and the establishment of a civil administration which inevitably lends itself to misconception and antagonism tend rather to increase than to allay the unrest and disorder in that region."

From a moral and legal point of view, Japanese pretensions in the name of law and order have been condemned in advance by no less an authority than the Japanese Foreign Minister, Baron Shidehara, in his address to the Japanese Diet on January 1st, 1926, already quoted. 2

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2 Vide supra, page 136.
To all this may be added the observation that a Government which, like the Japanese, is apparently unable to control its own army and navy, with results that have astounded the world, would appear to be precluded from pleading law and order as an excuse.

(f) An even more paradoxical plea advanced by Japan is that she is acting in defence of treaty rights. The extremely controversial nature of many of Japan's alleged treaty rights in Manchuria and the dubious methods by which the Japanese Government seeks to interpret and apply these rights have already been indicated in the first section of this statement. All that need be said about Japan's claim to exercise unlimited violence in repudiation of her undoubted treaty obligations under the Covenant, the Paris Pact and the Nine-Power Treaty in order to enforce her own view of her disputed treaty rights in Manchuria is that, if the claim be admitted, treaties would for all practical purposes cease to exist and lawless force would become the arbiter of international relations.

(g) Still another attempt at justification made by the Japanese Government is that its acts are necessitated by the Chinese people's boycott of Japanese goods and the alleged anti-Japanese agitation.

On this matter the Council may be referred to the statement made before it by the Chinese delegate on October 23rd, 1931:

"Once this unhappy incident is settled and normal relations restored between China and Japan, the Japanese Government will find us not only willing, but also anxious to discuss every issue between the two countries in the most friendly spirit. . . . . The Chinese Government for its part will not only scrupulously observe all its obligations under international law and practice to promote good relations with Japan, but will do everything in its power to turn the thoughts of its people to peace and amity, forgetfulness of the bitter past and hope for a better future."

As regards specifically the question of the boycott, the Chinese Government, in a reply (document C.708.1931) to the Japanese memorandum of October 6th, circulated to the Council on October 13th, stated:

"Freedom to choose one's purchases is an individual right with which no Government interferes, and, while it is the duty of every Government to protect foreign nationals, it is bound neither by any recognised standard of governance nor by any principle of international law to prohibit or punish exercise of an elementary right of citizenship. If there be responsibility at all in the matter, it entirely lies with Japan, since the Wanpaoshan incident created this general prejudice against Japanese merchandise."

The boycott is nothing but a natural reaction of the people of China to the acts of aggression of the Japanese Government and its army and navy. No Government—no power on earth—can compel the Chinese people to buy Japanese goods so long as Japanese troops are on Chinese soil.

* * *

This brief examination of Japan's pleas shows, not only that each explanation is individually unsound, but also that their very multiplicity and mutual inconsistency render their sincerity suspect. Japan stands condemned as a violator of her solemn treaty obligations; and there is here no question of a merely juristic or technical violation. The appalling moral and material loss which has already been inflicted and the grave threat to general peace are altogether too real to be ignored on any technical considerations.

V. — CONCLUSION.

China comes to the League of Nations as the acknowledged trustee of international order and justice with a case which is classic in its simplicity. She has kept the Covenant; she has offered, and still offers, in the most sweeping terms, to adopt and carry out any programme that may be formulated and applied for the peaceful adjustment of her differences with Japan; she has placed herself unreservedly in the League's hands. China cannot believe that she has committed a blunder in relying upon a Covenant which was brought into existence at the cost of 10,000,000 dead and 30,000,000 wounded, and is now backed by 55 nations.

China asks only to work out her destiny in peace—in the words of the Nine-Power Treaty, "the fullest and most unembarrassed opportunity to develop and maintain for herself an effective and stable government."

Is there anything unreasonable in this? And yet one of the signatories of the Covenant, and of the Pact of Paris, and of the Nine-Power Treaty, is to-day ravaging her
territory, destroying her territorial and administrative integrity and her political independence, and threatening her very existence as a member of the family of nations. The Shanghai effort is but a continuation of the aggression which started in Manchuria on September 18th, 1931.

The issue presented is unmistakable and urgent. The Right Honourable Mr. Arthur Henderson, President of the Disarmament Conference, in his opening address on February 2nd, did not fail to emphasise the true significance of the crisis in the Far East when he said:

"Before passing on to my main subject, I feel bound to refer to the tragic fact that, at the moment when this Conference, the very purpose of which is to take further steps towards the maintenance of peace, begins its work, we are confronted with a situation of such extreme gravity as that which now exists.

"It is imperative that all of the signatories of the Covenant of the League of Nations and the Pact of Paris should make it their business to ensure the strict observance of these two great safeguards against acts of violence and war."

The intolerable situation was fully realised by the British representative when he stated at the Council’s meeting of February 2nd: "... it is impossible that the present position in the Far East should be allowed to continue ... War in everything but name is in progress. To such a state of things the Members of the League of Nations cannot be indifferent. If it is allowed to go on, the Covenant, the Pact of Paris, and the Nine-Power Treaty must inevitably lose the confidence of the world." The British representative did not attempt to state the obvious alternative which must be in the mind of every informed observer. China stands or falls with the entire peace structure which has been so laboriously built up in recent years. The consequences of a collapse cannot be contemplated without the gravest apprehension. Could there be any better way to set the stage for another world war?

Japan stands at the bar of public opinion and at the Council table of the League as the protagonist of an antiquated and barbarous system which has been deliberately and formally discarded by every nation, including Japan. Her appeal to arms cannot be reconciled with the new order of things, recorded in solemn treaties upon which the hope for a civilised and peaceful world now rests. We are at the cross-roads, and the decision to go the way of peace or that of war is squarely before us all. There is no middle course: if Japan is right in this matter, then militarism and brute force resume their sway over the affairs of nations; if the new order is to be preserved, the hour has struck to defend it.

It is appropriate here, therefore, to reiterate the position of the Chinese Government as contained in the statement filed by it on February 9th, 1932, which reads as follows:

"The official records of the League of Nations in the proceedings taken before the Council since September 18th last disclose the following undisputed facts:

"1. On the evening of September 18th, 1931, Japan without warning launched a violent attack with armed forces upon the territory of China.

"2. Notwithstanding the active efforts of the Council, in the exercise of its conciliatory function under Article II of the Covenant, this attack has been steadily and consistently developed into a formidable invasion and occupation, not only of Manchuria, but also of other parts of China.

"3. Japan has failed to comply with the resolutions of the Council providing for the cessation of her hostile action and the withdrawal of her armed forces. The resolutions of September 30th and of December 10th, consented to by Japan herself, have not been carried out either in letter or in spirit.

"4. The efforts of Members of the League acting in collaboration with the United States of America have likewise proved unavailing to bring about a cessation of Japan’s armed aggression, which still continues, not only in Manchuria, but also at Shanghai and elsewhere. Nanking, the capital of China, has been bombarded and is threatened with further bombardment; the Government has been obliged to transfer its seat from Nanking to Loyang.

"5. The violation by Japan of the League Covenant, of the Pact of Paris and of the Nine-Power Treaty is a fact which has been made so clear as to admit of no dispute.

"6. China respectfully submits that the elementary facts of the situation as above stated plainly call for the exercise of the full powers of the League under its Covenant to bring about an immediate cessation of hostile and aggressive action by Japan, the prompt evacuation of China’s territory by Japanese forces and the settlement of the entire controversy between China and Japan by peaceful means."

(Signed) W. W. Yen.

February 22nd, 1932.
Appendix I.

OFFICIAL STATEMENT BY THE CHINESE GOVERNMENT RESPECTING THE CHINO-
JAPANESE NEGOTIATIONS BROUGHT TO A CONCLUSION BY CHINA'S COMPLIANCE
WITH THE TERMS OF JAPAN'S ULTIMATUM DELIVERED ON MAY 7TH, 1915.

At three o'clock on the afternoon of May 7th, 1915, His Excellency the Japanese Minister
in Peking delivered to the Chinese Government in person an Ultimatum from the Imperial
Japanese Government, with an accompanying Note of seven articles. The concluding sentences
of the Ultimatum read thus:

“The Imperial Government hereby again offer its advice and hope that the Chinese
Government, upon this advice, will give a satisfactory reply by six o'clock p.m. on the
ninth day of May. It is hereby declared that, if no satisfactory reply is received before or
at the specified time, the Imperial Government will take such steps as it may deem necessary.”

The Chinese Government—having received and accepted the Ultimatum—feels constrained
make a frank and plain statement of the facts connected with the negotiations which were
abruptly terminated by this drastic action on the part of Japan.

The Chinese Government has constantly aimed, as it still aims, at consolidating the friendship
existing between China and Japan, and, in this period of travail in other parts of the world, has
been particularly solicitous of preserving peace in the Far East. Unexpectedly, on January 18th,
1915, His Excellency the Japanese Minister in Peking, in pursuance of instructions from his
Government, adopted the unusual procedure of presenting to His Excellency the President
of the Republic of China a list of twenty-one momentous demands, arranged in five groups.
The first four groups were each introduced by a preamble, but there was no preamble or explana-
tion to the fifth group. In respect of the character of the demands in this group, however, no
difference was indicated in the document between them and those embodied in the preceding groups.

Although there was no cause for such a démarche, the Chinese Government, in deference
to the wishes of the Imperial Japanese Government, at once agreed to open negotiations on those
articles which it was possible for China to consider, notwithstanding that it was palpable that
the whole of the demands were intended to extend the rights and interests of Japan without
securing a quid pro quo of any kind for China.

China approached the pending conferences in a spirit of utmost friendliness and with a deter-
mination to deal with all questions frankly and sincerely. Before negotiations were actually
commenced, the Japanese Minister raised many questions with regard to the number of delegates
proposed to represent China, the number of conferences to be held in each week, and the method
of discussion. The Chinese Government, though its views differed from those of the Japanese
Minister, yielded in all these respects to his contentions in the hope of avoiding any delay in the
negotiations. The objections of the Japanese Minister to the customary recording and signing
of the minutes of each conference, which the Chinese Government suggested as a necessary and
advisable precaution, as well as one calculated to facilitate future reference, were also accepted.

Nor did the Chinese Government retaliate in any way when, in the course of the negotiations,
the Japanese Minister twice suspended the conferences, obviously with the object of compelling
compliance with his views on certain points at the time under discussion. Even when delay was
threatened owing to the unfortunate injury sustained by the Japanese Minister as a result of a
fall from his horse, the Chinese delegates, in order to avert interruption, proposed that the con-
ferences should be continued at the Japanese Legation, which proposal was accepted. Later,
when, on March 22nd, the Japanese Government despatched large bodies of troops to South
Manchuria and Shantung for the ostensible purpose of relieving the garrison—whose term of
service had not then expired—the Japanese Minister stated at the conference, in reply to a direct
question as to when the retiring troops would be withdrawn, that this would not be done until
the negotiations could be brought to a satisfactory conclusion. Although this minatory step
caused much excitement, indignation and alarm on the part of the Chinese people, and made it
difficult for the Chinese Government to continue the conferences, it successfully exerted efforts
to avert a rupture and thus enabled the negotiations smoothly to proceed. All this demonstrates
that the Chinese Government was dominated by a sincere desire to expedite the progress of the
conferences; and that the Japanese Government recognised this important fact was made clear
on March 17th, when the Japanese Minister conveyed to the Chinese Government an expression
of his Government’s appreciation of China’s frankness and sincerity in the conduct of the nego-
tiations.

From February 2nd, when the negotiations were commenced, to April 17th, twenty-four
conferences were held in all. Throughout this whole period the Chinese Government steadfastly
strove to arrive at an amicable settlement and made every concession possible.

Of the twenty-one demands originally submitted by Japan, China agreed to fifteen, some in
principle and some textually, six being initialled by both parties.

IN THE MATTER OF THE DEMANDS TO WHICH CHINA AGREED:

At the first conference, held on February 2nd, China agreed in principle to the first article
of the Shantung group of demands which provides that China should give her assent to the
The Japanese Minister to accept this view, the Chinese Government agreed to this demand in the belief that the subject of this demand related to the principle and made certain supplementary proposals. One of the supplementary proposals was in these terms:

"The Japanese Government declares that, when the Chinese Government gives its assent to the disposition of the rights above referred to, Japan will restore the Leased Territory of Kiaochow to China, and further recognises the right of the Chinese Government to participate in the negotiations referred to above between Japan and Germany."

The provision for a declaration to restore Kiaochow was clearly not a demand on Japan, but only a reiteration of Japan's voluntary statement in her Ultimatum to Germany on August 15th, 1914 (a copy of which was officially transmitted to the Chinese Government for perusal on August 15th), and repeated in public statements by the Japanese Premier. Appreciating the earnest desire of Japan to maintain the peace of the Far East and to cement her friendship with China, as evidenced by this friendly offer, the Chinese Government left the entire question of the conditions of restoration to be determined by Japan and refrained from making any reference thereto in the supplementary proposal. The suggestion relating to participation in the conference between Japan and Germany was made in view of the fact that Shantung, the object of future negotiation between Japan and Germany, is a Chinese Province, and that therefore China is the Power most concerned in the future of that territory.

Another supplementary proposal suggesting the assumption by Japan of responsibility for indemnification of the losses arising out of the military operations by Japan in and about the Leased Territory of Kiaochow was necessitated by the fact that China was neutral vis-à-vis the war between Japan and Germany. Had China not inserted such a provision, her position in relation to this conflict might have been liable to misconstruction—the localities in which the operations took place being a portion of China's territory—and might also have exposed herself to a claim for indemnification of losses for which she was in no way responsible.

In a further supplementary proposal, the Chinese Government suggested that, prior to the restoration of the Kiaochow Territory to China, the Maritime Customs, the telegraphs and post offices should be continued to be administered as heretofore; that the military railway, the telegraph lines, etc., which were installed by Japan to facilitate her military operations, should be removed forthwith; that the Japanese troops now stationed outside of the Leased Territory should be first withdrawn, and those within the Territory should be recalled at the time when Kiaochow is returned to China. Shantung being a Chinese Province, it was natural for China to be anxious concerning the restoration of the status quo ante bellum. Although the Chinese Government was confident that the Japanese Government would effect such restoration in pursuance of its official declaration, it was necessary for China, being neutral throughout the war, to place these matters on record.

At the third conference, held on February 22nd, China agreed to the second demand in the Shantung group not to cede or lease to any Power any territory or island or land on the sea border of Shantung.

At the fifth conference, held on February 28th, China agreed to give Japan the preference, provided Germany abandoned the privilege, to supply the capital for the construction of a railway from Chefoo or Lungkow to connect with the Kiaochow-Tsinanfu railway, in the event of China's deciding to build that railway with foreign capital. At the sixth conference, held on March 3rd, China, in the interest of foreign trade, agreed to open certain important cities in Shantung as trade marts under regulations approved by the Japanese Government, although this was a demand on the part of Japan for privileges additional to any that hitherto had been enjoyed by Germany and was not an outcome of the hostilities between Japan and Germany, nor, in the opinion of the Chinese Government, was its acceptance essential to the preservation of peace in the Far East.

At the eighth conference, held on March 9th, China agreed (1) to the extension of the term of the lease of Dairen and (2) Port Arthur, and (3) of the South Manchurian and (4) Antung-Mukden Railways, all to ninety-nine years. Owing to the bitter experiences which China sustained in the past in connection with the leased portions of her territory, it has become her settled policy not to grant further leases or to extend the term of those now in existence. Therefore, it was a significant indication of China's desire to meet Japan's wishes when she agreed to this exceptional departure from her settled policy.

At the same conference, the Chinese Government also agreed to refrain from raising objections to the principle of co-operation in the Hanyeh-ping Company, if the latter should arrive at an agreement in this respect with the Japanese capitalists concerned. With reference to this question, it was pointed out to the Japanese Minister that, in the Provisional Constitution of the Republic of China, Chinese subjects are guaranteed the right of protection of their property and freedom to engage in any lawful occupation. The Government was precluded, therefore, from interfering with the private business of the people and could not find any other solution than the one thus agreed to.

As regards the single article of the fourth group, and the preamble thereto, the Chinese Government held that they were inconsistent with Chinese sovereignty. However, China, at this conference, expressed her readiness to meet the wishes of Japan so far as it was possible.
without infringing her sovereignty and agreed to make a voluntary pronouncement that she would not alienate any portion of her coast-line.

In connection with the South Manchuria Railway, it is worthy of note that the provision regarding the re-purchase period in the agreement (thirty-six years from 1902) was not mentioned in Japan's original proposal. Subsequently, the Japanese Government, on the ground that the meaning of this provision was not clear, requested China to agree to its cancellation. To this request the Chinese Government acceded, though well aware that the proposed change could only benefit Japan. China thus relinquished the right to re-purchase the railway at the expiration of another twenty-three years.

In connection with the Antung-Mukden Railway, the article, which was originally initialled at the conference, provided for the reversion of the railway to China at the end of ninety-nine years without payment, but, at the subsequent meeting, the Japanese Minister requested that the reference to the reversion without payment be deleted from the initialled article. In acceding to the Japanese Minister's request, China again showed her sincere desire to expedite matters and to meet Japan's wishes even at the sacrifice of a point in her favour, to which Japan had already agreed.

At the eleventh conference, held on March 16th, China agreed to give Japan preference in regard to loans for railway construction in South Manchuria.

At the thirteenth conference, held on March 23rd, China agreed (1) to the amendment of the Kirin-Changchun Railway loan agreement; (2) to give preference to Japan if the revenue of South Manchuria were offered as security for loans; (3) to give preference to Japanese in the event of the employment of advisers for South Manchuria; (4) to grant to Japanese the right of mining in nine specified areas in South Manchuria.

In its original form, the demand with reference to mining in South Manchuria tended to create a monopoly for Japanese subjects, and therefore was entirely inconsistent with the principle of equal opportunity. The Chinese Government explained that it could not, in view of the treaty rights of other Powers, agree to this monopoly, but it readily gave its acceptance when Japan consented to the modification of the demand so as to mitigate its monopolistic character.

In connection with the Kirin-Changchun Railway, the amendment agreed to involves a fundamental revision of the original agreement on the basis of the existing railway loan concluded by China with other foreign capitalists, as well as an engagement on the part of the Chinese Government to extend to this railway any better terms which may be hereafter accorded to other railway concessionaires in China. The capital of this railway was originally 50 per cent Chinese and 50 per cent Japanese. The effect of this undertaking is to transfer the capital originally held by the Chinese, as well as the full control and administration of the railway, to the Japanese.

At the twenty-first conference, held on April 10th, China agreed, in regard to the demands concerning Fukien Province, to give Japan an assurance in accordance with Japan's wishes at a future time.

As regards demands 2 and 3 in the "Manchurian group", relating to the ownership of land for trade, manufacture and agricultural enterprises as well as for the right of settlement in the interior of South Manchuria, the Chinese Government, after discussion at several conferences, agreed to them in principle, but desired to introduce certain amendments concerning the control and protection of the Japanese subjects who might avail themselves of these rights. The course of the negotiations in connection with these amendments will be referred to subsequently.

IN THE MATTER OF THOSE DEMANDS TO WHICH CHINA COULD NOT AGREE:

Of the twenty-one demands there were six, as previously mentioned, to which China could not agree on the ground that they were not proper subjects for international negotiation, conflicting as they did with the sovereign rights of China, the treaty rights of other Powers, and the principle of equal opportunity.

Thus, for example, the second article of the Hanyeh-ping question in the original third group in particular seriously affected the principle of equal commercial and industrial opportunity.

The proposal that there should be joint administration by China and Japan of the police in China was clearly an interference with the Republic's domestic affairs and consequently an infringement of her sovereignty. For that reason, the Chinese Government could not take the demand into consideration. But when it was explained by the Japanese Minister that this referred only to South Manchuria and he suggested that his Government would be satisfied if China agreed to engage Japanese as police advisers for that territory, the Chinese Government accepted the suggestion.

The two articles relating to the acquisition of land for schools, hospitals and temples, as well as to the right of missionary propaganda, would, in the opinion of the Chinese Government, have presented grave obstacles to the consolidation of the friendly feeling subsisting between the two peoples. The religions of the two countries are identical and therefore the need for a missionary propaganda to be carried on in China by Japanese does not exist. The natural rivalry between Chinese and Japanese followers of the same faith would tend to create incessant disputes and friction. Whereas Western missionaries live apart from the Chinese communities among which
they labour, Japanese monks would live with the Chinese, and the similarity of their physical characteristics, their religious garb, and their habits of life would render it impossible to distinguish them for purposes of affording the protection which the Japanese Government would require should be extended to them under the system of extra-territoriality now obtaining in China. Moreover, a general apprehension exists among the Chinese people that these peculiar conditions favouring conspiracies for political purposes might be taken advantage of by some unscrupulous Chinese.

The demand for railway concessions in the Yangtze Valley conflicted with the Shanghai-Hangchow-Ningpo Railway Agreement of March 6th, 1908, the Nanking-Changsha Railway Agreement of March 31st, 1914, and the engagement August 24th, 1914, giving preference to British firms for the projected line from Nanchang to Chaoshoufu. For this reason the Chinese Government found itself unable to consider the demand, though the Japanese Minister, while informed of China's engagements with Great Britain, repeatedly pressed for its acceptance.

In respect to the demand for the appointment of influential Japanese to be advisers in political, financial and military affairs, the policy of the Chinese Government in regard to the appointment of advisers has been similar to that which has presumably guided the Japanese Government in like circumstances—namely, the selection of the best-qualified men irrespective of their nationality. As an indication of its desire to avail themselves of the services of eminent Japanese, one of the earliest appointments made to an advisership was that of Dr. Ariga, while later on Dr. Hirai and Mr. Nakayama were appointed to the Ministry of Communications.

It was considered that the demand that Japanese should be appointed in the three most important administrative departments, as well as the demand for the joint control of China's police, and the demand for an engagement to purchase a fixed amount of arms, and ammunition from Japan or to establish joint arsenals in China, so clearly involved the sovereignty of the Republic that the Chinese Government was unable even to consider them.

For these reasons, the Chinese Government, at the very outset of the negotiations, declared that it was unable to negotiate on the demands; but, in deference to the wishes of the Japanese Minister, the Chinese delegates consented to give the reasons for declining to enter into a discussion of them.

IN THE MATTER OF THE QUESTIONS OF DISPUTE INVOLVED IN SOME OF THE FOREGOING DEMANDS.

The demand by Japan for the right of her subjects in South Manchuria to lease or own land, and to reside and travel, and to engage in business or manufacture of any kind whatever was deemed by the Chinese Government to obtain for Japanese subjects in this region a privileged status beyond the terms of the treaties existing between the two nations and to give them a freedom of action which would be a restriction of China's sovereignty and a serious infringement of her administrative rights. Should Japanese subjects be granted the right of owning land, it would mean that all the landed property in the region might fall into their hands, thereby endangering China's territorial integrity. Moreover, residence in the interior was incompatible with the existence of extra-territoriality, the relinquishment of which is necessary to the actual enjoyment of the privilege of inland residence, as evidenced in practice of other nations.

Japan's unconditional demand for the privilege of inland residence accompanied with a desire to extend extra-territoriality into the interior of China and to enable Japanese subjects to monopolise all the interests in South Manchuria was also palpably irreconcilable with the principle of equal opportunity. For this reason, the Chinese Government was, in the first instance, unable to accept this demand as a basis of negotiation. Its profound regard for the friendly relations of the two countries, however, persuaded it to exert its utmost efforts, in spite of all the inherent difficulties, to seek a solution of a question which was practically impossible to solve. Knowing that the proposal made by Japan was incompatible with treaties, it nevertheless sought to meet her wishes within the limits of treaties. Accordingly, it submitted a counter-proposal to open more places in South Manchuria to international trade and to establish Sino-Japanese joint reclamation companies.

This suggestion was made in the belief that the places to which Japanese subjects would desire to resort for purposes of trade could not be other than important localities; if all these localities were opened to commerce, then they could reside, trade, and lease land there for joint reclamation. Thus Japanese subjects might enjoy the essence of the privilege of inland residence and would still be able to reconcile their position with China's treaties and the principle of equal opportunity.

After the Japanese Government declined to accept this suggestion, China withdrew it and replaced it with an amendment to the original articles. It was proposed in this amendment to grant to Japanese subjects the extra-treaty privilege of inland residence with the provisos that Japanese subjects in places outside of trade marts should observe Chinese police regulations and pay taxes in the same manner as Chinese; and that civil and criminal cases involving such Japanese
subjects should be adjudicated by Chinese authorities, the Japanese Consul attending merely to
watch the proceedings. This suggestion was not an innovation: it was based upon the *modus
operandi* now in force as regards the Korean settlers in inland districts in Chientao. But the
Japanese Government again declined to accept it.

The Chinese Government thereupon made a third proposal along the line of what constitutes
the present practice in Turkey, making a distinction, however, in favour of Japanese subjects, in
the exercise of jurisdiction over civil and criminal cases. This was once more objected to by the
Japanese Government.

Then the Chinese Government proposed to concede still another step—the fourth endeavour
to meet Japan’s wishes. They proposed to agree to the full text of Articles 2 and 3 relative to the
question of inland residence, except that “the right of owning land” was changed into “the
right of leasing land” and to the phrase “cultivating land” was added this clause: “the regulations
for which shall be determined separately”; and, further, to add a supplementary article which
embodied a *modus operandi* which the Chinese Government had constrained itself to make out
of a desire to come to a settlement over this question. The view advanced in this supplementary
article was based upon the Japanese Minister’s declaration made on March 6th, 1915, that a separate
article embodying some compromise might be added to the original Articles 2 and 3 for the purpose
of avoiding any conflict with China’s sovereignty or the system established by treaties.

These suggestions made by the Chinese Government were not accepted by Japan.

As regards Eastern Inner Mongolia, not only have no treaties been entered into with Japan
concerning this region, but also the people are so unaccustomed to foreign trade that the Chinese
Government invariably feels much anxiety about the safety of foreigners who elect to travel there.
The Chinese Government therefore considered that it would not be in the interest of foreigners
to open the whole territory to them for residence and commerce, and on these grounds based their
original refusal to place Eastern Inner Mongolia on the same footing as South Manchuria. Still,
its desire to meet the wishes of the Japanese Government eventually prompted it to offer to open
a number of places in the region to foreign trade.

**IN THE MATTER OF JAPAN’S REVISED DEMANDS.**

The foregoing is an outline of the negotiations up to April 17th. It was hoped by the Chinese
Government that the Japanese Government, in view of the great concessions made by China
at the conferences held up to this time, would see a way of effecting an amicable settlement by
modifying its position on certain points. In regard to these it had, by this time, become manifest
that China would encounter almost insuperable difficulties in making further concessions.

The Japanese Government, however, suspended the negotiations until April 26th, when they
surprised the Chinese Government by presenting a new list of twenty-four demands and
requested the Chinese Government to accord its acceptance without delay, adding that this was
its final proposal. At the same time, the Japanese Minister stated that the Japanese Government
would restore the leased territory of Kiaochow to China at an opportune time in the future and
under proper conditions if the Chinese Government would agree to the new list of twenty-four
demands without modification.

In this new list, although the term “special position” in the preamble of the Manchurian
group was changed to “economic relations” and although the character of the articles in the
original fifth group was altered from demands to a recital of alleged statements by the Chinese
Foreign Minister, four new demands were introduced concerning Eastern Inner Mongolia. In
defence to the wishes of the Japanese Government, the Chinese Government gave the revised
list the most careful consideration; and, being sincerely desirous of an early settlement, offered
new concessions in its reply presented to the Japanese Minister on May 1st.

In this reply, the Chinese Government reinserted the proposal in reference to the retrocession
of Kiaochow which they advanced at the first conference on February 2nd and which was postponed
at the request of the Japanese Minister. This, therefore, was in no sense a new proposal.

The Chinese Government also proposed to agree to three of the four articles relating to Eastern
Inner Mongolia. There was some difficulty in determining a definition of the boundaries of
Eastern Inner Mongolia—this being a new expression in Chinese geographical terminology—but the Chinese Government, acting upon a statement made at a previous conference by the
Japanese Minister that the Japanese Government meant the region under Chinese administrative
jurisdiction, and taking note, in the list presented by the Japanese Minister, of the names of places
in Eastern Inner Mongolia to be opened to trade, inferred that the so-called Eastern Inner Mongolia
is that part of Inner Mongolia which is under the jurisdiction of South Manchuria and the Jehol
circuit; and refrained from placing any limitations upon the definition of this term.

The Chinese Government also withdrew its supplementary proposal reserving the right of
making regulations for agricultural enterprises to be undertaken by Japanese settlers in South
Manchuria.
In respect of the trial of cases involving land disputes between Japanese only, or between Japanese and Chinese, the Chinese Government accorded to the Japanese Consul the right to depute an officer to watch the proceedings.

The Chinese Government also agreed to accept the suggestion of the Japanese Government to modify the term "police law and ordinances" into "police rules and regulations", thereby limiting the extent of control which the Chinese would have over Japanese subjects.

As regards the Hanyehping demand, the Chinese Government accepted the draft made by the Japanese Government, embodying an engagement by the Chinese Government not to convert the company into a State-owned concern, nor to confiscate it, nor to force it to borrow foreign capital other than Japanese.

In respect of the Fukien question, the Chinese Government also agreed to give an assurance in the amplified form suggested by the Japanese Government that the Chinese Government had not given its consent to any foreign nations to construct a dock-yard or a coaling station, or a naval base, or any other military establishment along the coast of Fukien Province; nor did it contemplate borrowing foreign capital for the foregoing purposes.

Having made these concessions, which practically brought the views of China into line with those of Japan, and having explained in a note accompanying the reply the difficulty for China to make further concessions, the Chinese Government hoped that the Japanese Government would accept its reply of May 1st, and thus bring the negotiations to an amicable conclusion.

The Japanese Government, however, expressed itself as being dissatisfied with China's reply and withdrew the conditional offer to restore Kiao-chow to China made on April 26th. It was further intimated that, if the Chinese Government did not give its full compliance with the list of twenty-four demands, Japan would have recourse to drastic measures.

Upon receiving this intimation, the Chinese Government, inspired by the conciliatory spirit which had been predominant from the very beginning of the negotiations and desirous of avoiding any possible rupture in the relations of the two countries, made a supreme effort to meet the situation and represented to the Japanese Government that it would reconsider its position and make another attempt to find a solution that would be more satisfactory to Japan in respect to those articles which China had declared could not be taken up for consideration, but to which Japan attached great importance. Even in the evening of May 6th, after the Japanese Minister had notified the Chinese Government that the Ultimatum had arrived in Peking, the Chinese Government in the interests of peace still exerted efforts to save the situation by offering to meet Japan's wishes.

These overtures were again rejected, and thus was exhausted the means at the disposal of the Chinese Government to prevent an impasse.

It is plain that the Chinese Government proceeded to the fullest extent of possible concession in view of the strong national sentiment manifested by the people throughout the whole period of negotiations. All that the Chinese Government strove to maintain was China's plenary sovereignty, the treaty rights of foreign Powers in China and the principle of equal opportunity.

To the profound regret of the Chinese Government, however, the tremendous sacrifices which it had shown itself ready to make proved unavailing, and an Ultimatum, was duly delivered to them by the Japanese Minister at three o'clock on the afternoon of May 7th.

As to the allegations made in the Ultimatum against China, the Chinese Government hopes that the foregoing outline of the history of the negotiations constitutes a clear, dispassionate, and complete reply.

In considering the nature of the course they should take with reference to the Ultimatum, the Chinese Government was influenced by a desire to preserve the Chinese people, as well as the large number of foreign residents in China, from unnecessary suffering and also to prevent the interests of friendly Powers from being imperilled. For these reasons the Chinese Government was constrained to comply in full with the terms of the Ultimatum, but, in complying, the Chinese Government disclaims any desire to associate itself with any revision, which may thus be effected, of the various conventions and agreements concluded between other Powers in respect of the maintenance of China's territorial independence and integrity, the preservation of the status quo, and the principle of equal opportunity for the commerce and industry of all nations in China.

Appendix II.

BARON SHIDEHARA'S STATEMENT AT THE WASHINGTON CONFERENCE ON FEBRUARY 2ND, 1922, WITH REFERENCE TO THE TREATIES AND AGREEMENTS OF 1915.

At a previous session of this committee, the Chinese delegation presented a statement urging that the Sino-Japanese Treaties and Notes of 1915 be reconsidered and cancelled. The Japanese delegation, while appreciating the difficult position of the Chinese delegation, does not feel at liberty to concur in the procedure now resorted to by China with a view to cancellation of international engagements which she entered into as a free sovereign nation.
It is presumed that the Chinese delegation has no intention of calling in question the legal validity of the compacts of 1915, which were formally signed and sealed by the duly authorised representatives of the two Governments, and for which the exchange of ratifications was effected in conformity with established international usages. The insistence by China on the cancellation of those instruments would in itself indicate that she shares the view that the compacts actually remain in force and will continue to be effective, unless and until they are cancelled.

It is evident that no nation can have given ready consent to cessions of its territorial or other rights of importance. If it should once be recognised that rights solemnly granted by treaty may be revoked at any time on the ground that they were conceded against the spontaneous will of the grantor, an exceedingly dangerous precedent will be established, with far-reaching consequences upon the stability of the existing international relations in Asia, in Europe and everywhere.

The statement of the Chinese delegation under review declares that China accepted the Japanese demands in 1915, hoping that a day would come when she should have the opportunity of bringing them up for reconsideration and cancellation. It is, however, difficult to understand the meaning of this assertion. It cannot be the intention of the Chinese delegation to intimate that China may conclude a treaty, with the thought in mind of breaking it at the first opportunity.

The Japanese delegation maintains that the treaties and notes in question are derogatory to the principles adopted by the Conference with regard to China's sovereignty and independence. It has, however, been held by the Conference on more than one occasion that concessions made by China ex contractu, in the exercise of her own sovereign rights, cannot be regarded as inconsistent with her sovereignty and independence.

It should also be pointed out that the terms "twenty-one demands", often used to denote the treaties and notes of 1915, is inaccurate and grossly misleading.

It may give rise to an erroneous impression that the whole original proposals of Japan had been pressed by Japan and accepted in toto by China. As a matter of fact, not only "Group 5", but also several other matters contained in Japan's first proposals were eliminated entirely or modified considerably, in deference to the wishes of the Chinese Government, when the final formula was presented to China for acceptance. Official records published by the two Governments relating to those negotiations will further show that the most important terms of the treaties and notes, as signed, had already been virtually agreed to by the Chinese negotiators before the delivery of the ultimatum, which then seemed to the Japanese Government the only way of bringing the protracted negotiations to a speedy close.

The Japanese delegation cannot bring itself to the conclusion that any useful purpose will be served by research and re-examination at this Conference of old grievances which one of the nations represented here may have against another. It will be more in line with the high aim of the Conference to look forward to the future with hope and with confidence.

Having in view, however, the changes which have taken place in the situation since the conclusion of the Sino-Japanese Treaties and Notes of 1915, the Japanese delegation is happy to avail itself of the present occasion to make the following declaration:

1. Japan is ready to throw open to the joint activity of the international financial consortium recently organised the right of option granted exclusively in favour of Japanese capital, with regard, first, to loans for the construction of railways in South Manchuria and Eastern Inner Mongolia and, second, to loans to be secured on taxes in that region; it being understood that nothing in the present declaration shall be held to imply any modification or annulment of the understanding recorded in the officially announced notes and memoranda which were exchanged among the Governments of the countries represented in the consortium and also among the national financial groups composing the consortium, in relation to the scope of the joint activity of that organisation.

2. Japan has no intention of insisting on her preferential right under the Sino-Japanese arrangements in question concerning the engagements by China of Japanese advisers or instructors on political, financial, military, or police matters in South Manchuria.

3. Japan is further ready to withdraw the reservation which she made, in proceeding to the signature of the Sino-Japanese Treaties and Notes of 1915, to the effect that group 5 of the original proposals of the Japanese Government would be postponed for future negotiations. It would be needless to add that all matters relating to Shantung contained in those Treaties and Notes have now been definitely adjusted and disposed of.

In coming to this decision, which I have had the honour to announce, Japan has been guided by a spirit of fairness and moderation, having always in view China's sovereign rights and the principle of equal opportunity.

Appendix III.

CHINESE STATEMENT AT THE WASHINGTON CONFERENCE.

The Chinese delegation has taken note of the statement of Baron Shidehara made at yesterday's session of the Committee with reference to the Sino-Japanese Treaties and Notes of May 25th, 1915.
The Chinese delegation learns with satisfaction that Japan is now ready to throw open to the joint activity of the banking interests of other Powers the right of option granted exclusively in favour of Japanese capital with regard, first, to loans for the construction of railways in South Manchuria and Eastern Inner Mongolia and, second, to loans secured on taxes in that region; and that Japan has no intention of insisting upon a preferential right concerning the engagement by China of Japanese advisers or instructors in political, financial, military or police matters in South Manchuria; also that Japan now withdraws the reservation which she made to the effect that group 5 of her original demands upon China should be postponed for future negotiations.

The Chinese delegation greatly regrets that the Government of Japan should not have been led to renounce the other claims predicated upon the Treaties and Notes of 1915.

The Japanese delegation expressed the opinion that abrogation of these arguments would constitute "an exceedingly dangerous precedent", "with far-reaching consequences upon the stability of the existing international relations in Asia, in Europe and everywhere".

The Chinese delegation has the honour to say that a still more dangerous precedent will be established, with consequences upon the stability of international relations which cannot be estimated if, without rebuke or protest from other Powers, one nation can obtain from a friendly but, in a military sense, weaker neighbour, and under circumstances such as attended the negotiation and signing of the Treaties of 1915, valuable concessions which were not in satisfaction of pending controversies and for which no quid pro quo was offered. These treaties and notes stand out, indeed, unique in the annals of international relations. History records scarcely another instance in which demands of such a serious character as those which Japan presented to China in 1915 have, without even pretence of provocation, been suddenly presented by one nation to another nation with which it was at the time in friendly relations.

No apprehension need be entertained that the abrogation of the agreements of 1915 will serve as a precedent for the annulment of other agreements, since it is confidently hoped that the future will furnish no such similar occurrences.

So exceptional were the conditions under which the agreements of 1915 were negotiated that the Government of the United States of America felt justified in referring to them in the identical note of May 13th, 1915, which it sent to the Chinese and Japanese Governments. That note began with the statement that, "in view of the circumstances of the negotiations which have taken place and which are now pending between the Government of China and Japan and of the agreements which have been reached as the result thereof, the Government of the United States has the honour to notify the Government of the Chinese Republic (Japan) that it cannot recognise any agreement or undertaking which has been entered into between the Governments of China and Japan impairing the treaty rights of the United States and its citizens in China, the political or territorial integrity of the Republic of China, or the international policy relative to China commonly known as the 'Open-Door Policy'."

Conscious of her obligations to the other Powers, the Chinese Government, immediately after signing the agreements, published a formal statement protesting against the agreements which she had been compelled to sign, and disclaiming responsibility for consequent violations of treaty rights of the other Powers. In the statement thus issued, the Chinese Government declared that, although it "was constrained to comply in full with the terms of the (Japanese) ultimatum" it nevertheless "disclaims any desire to associate itself with any revision, which may be thus effected, of the various conventions and agreements concluded between the other Powers in respect of the maintenance of China's territorial independence and integrity, the preservation of the status quo and the principle of equal opportunity for the commerce and industry of all nations in China."

Because of the essential injustice of these provisions, the Chinese delegation, acting in behalf of the Chinese Government and of the Chinese people, has felt itself in duty bound to present to this Conference, representing the Powers with substantial interests in the Far East, the question as to the equity and justice of these agreements and therefore as to their fundamental validity.

If Japan is disposed to rely solely upon a claim as to the technical or juristic validity of the agreements of 1915, as having been actually signed in due form by the two Governments, it may be said that, so far as this Conference is concerned, the contention is largely irrelevate, for this contention, if it was "constrained to comply in full with the terms of the (Japanese) ultimatum" it nevertheless "disclaims any desire to associate itself with any revision, which may be thus effected, of the various conventions and agreements concluded between the other Powers in respect of the maintenance of China's territorial independence and integrity, the preservation of the status quo and the principle of equal opportunity for the commerce and industry of all nations in China."

For the following reasons, therefore, the Chinese delegation is of the opinion that the Sino-Japanese Treaties and Exchange of Notes of May 25th, 1915, should form the subject of impartial examination with a view to their abrogation:

1. In exchange for the concessions demanded of China, Japan offered no quid pro quo. The benefits derived from the agreements were wholly unilateral.

2. The agreements, in important respects, are in violation of treaties between China and the other Powers.

3. The agreements are inconsistent with the principles relating to China which have been adopted by the Conference.

4. The agreements have engendered constant misunderstanding between China and Japan and, if not abrogated, will necessarily tend, in the future, to disturb friendly relations.
between the two countries, and will thus constitute an obstacle in the way of realising the purpose for the attainment of which this Conference was convened. As to this, the Chinese delegation, by way of conclusion, can perhaps do no better than quote from a resolution introduced in the Japanese Parliament, in June 1915, by Mr. Hara, later Premier of Japan, a resolution which received the support of some one hundred and thirty of the members of the parliament.

The resolution reads:

"Resolved, that the negotiations carried on with China by the present Government have been inappropriate in every respect; that they are detrimental to the amicable relationship between the two countries, and provocative of suspicions on the part of the Powers; that they have the effect of lowering the prestige of the Japanese Empire; and that, while far from capable of establishing the foundation of peace in the Far East, they will form the source of future trouble ".

The foregoing declaration has been made in order that the Chinese Government may have upon record the view which it takes, and will continue to take, regarding the Sino-Japanese Treaties and Exchange of Notes of May 25th, 1915.

Appendix IV.

STATEMENT BY THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA.

The important statement made by Baron Shidehara on behalf of the Japanese Government makes it appropriate that I should refer to the position of the Government of the United States as it was set forth in identical notes addressed by that Government to the Chinese Government and to the Japanese Government on May 13th, 1915.

The note to the Chinese Government was as follows:

"In view of the circumstances of the negotiations which have taken place and which are now pending between the Government of China and the Government of Japan and of the agreements which have been reached as a result thereof, the Government of the United States has the honour to notify the Government of the Chinese Republic that it cannot recognise any agreement or undertaking which has been entered into or which may be entered into between the Governments of China and Japan impairing the treaty rights of the United States and its citizens in China, the political or territorial integrity of the Republic of China, or the international policy relative to China commonly known as the 'Open-door Policy'.

"An identical note has been transmitted to the Imperial Japanese Government."

That statement was in accord with the historic policy of the United States in its relation to China, and its position as thus stated has been, and still is, consistently maintained.

It has been gratifying to learn that the matters concerning Shantung, which formed the substance of group I of the original demands, and were the subject of the Treaty and Exchange of Notes with respect to the province of Shantung, have been settled to the mutual satisfaction of the two Parties by negotiations conducted collaterally with this Conference, as reported to the plenary session on February 1st.

It is also gratifying to be advised by the statement made by Baron Shidehara on behalf of the Japanese Government that Japan is now ready to withdraw the reservation which she made, in proceeding to the signature of the Treaties and Notes of 1915, to the effect that group 5 of the original proposals of the Japanese Government—namely, those concerning the employment of influential Japanese as political, financial, and military advisers; land for schools and hospitals; certain railways in South China; the supply of arms, and the right of preaching—would be postponed for future negotiations. This definite withdrawal of the outstanding questions under group 5 removes what has been an occasion for considerable apprehension on the part alike of China and of foreign nations which felt that the renewal of these demands could not but prejudice the principles of the integrity of China and of the "Open Door".

With respect to the Treaty and the Notes concerning South Manchuria and Eastern Inner Mongolia, Baron Shidehara has made the reassuring statement that Japan has no intention of insisting on a preferential right concerning the engagement by China of Japanese advisers or instructors on political, financial, military, or police matters in South Manchuria.

Baron Shidehara has likewise indicated the readiness of Japan not to insist upon the right of option granted exclusively in favour of Japanese capital with regard, first, to loans for the construction of railways in South Manchuria and Eastern Inner Mongolia; and, second, with regard to loans secured on the taxes of those regions; but that Japan will throw them open to the joint activity of the international financial consortium recently organised.

As to this, I may say that it is doubtless the fact that any enterprise of the character contemplated which may be undertaken in these regions by foreign capital would in all probability
be undertaken by the consortium. But it should be observed that existing treaties would leave the opportunity for such enterprises open on terms of equality to the citizens of all nations. It can scarcely be assumed that this general right of the Treaty Powers of China can be effectively restricted to the nationals of those countries which are participants in the work of the consortium, or that any of the Governments which have taken part in the organisation of the consortium would feel themselves to be in a position to deny all rights in the matter to any save the members of their respective national groups in that organisation. I therefore trust that it is in this sense that we may properly interpret the Japanese Government's declaration of willingness to relinquish its claim under the 1915 Treaties to any exclusive position with respect to railway construction and to financial operations secured upon local revenues, in South Manchuria and Eastern Inner Mongolia.

It is further to be pointed out that, by Articles II, III and IV of May 25th, 1915, with respect to South Manchuria and Eastern Inner Mongolia, the Chinese Government granted to Japanese subjects the right to lease land for building purposes, for trade and manufacture, and for agricultural purposes, in South Manchuria, to reside and travel in South Manchuria, and to engage in any kind of business and manufacture there, and to enter into joint undertakings with Chinese citizens in agriculture and similar industries in Eastern Inner Mongolia.

With respect to this grant, the Government of the United States will, of course, regard it as not intended to be exclusive, and, as in the past, will claim from the Chinese Government for American citizens the benefits accruing to them by virtue of the most-favoured-nation clauses in the treaties between the United States and China.

I may pause here to remark that the question of the validity of treaties as between China and Japan is distinct from the question of the treaty rights of the United States under its treaties with China; these rights have been emphasised and consistently asserted by the United States.

In this, as in all matters similarly affecting the general right of its citizens to engage in commercial and industrial enterprises in China, it has been the traditional policy of the American Government to insist upon the doctrine of equality for the nationals of all countries, and this policy, together with the other policies mentioned in the note of May 13th, 1915, which I have quoted, are consistently maintained by this Government. I may say that it is with especial pleasure that the Government of the United States finds itself now engaged in the act of reaffirming and defining, and I hope that I may add revitalising, by the proposed Nine-Power Treaty, these policies with respect to China.

Appendix V.

STATEMENT OF THE CHINESE GOVERNMENT.

February 12th, 1932.

With full realisation of its responsibility to the civilised world and willingness to submit the accuracy of those statements to impartial international enquiry and adjudication, the Chinese National Government presents the following summary of the Sino-Japanese conflict from its inception:

At no time since the Russo-Japanese War has the Chinese Government doubted the purpose of Japan to seize Manchuria whenever an opportune occasion arose. At the conclusion of the Russo-Japanese War, which was fought chiefly on China's soil against China's protests, Japan put strong pressure on China to implement Japan's gains from Russia and to grant Japan additional special privileges, impairing China's sovereignty and contravening the "open-door" policy in Manchuria. China resisted those demands to the utmost of her ability.

When the World War arose, Japan took advantage of the preoccupation of the Powers and China's military weakness to present the twenty-one demands which, if conceded, would have destroyed China's sovereignty, not only in Manchuria, but in other parts of China as well. Under Japan's ultimatum, China was forced to concede some of those demands, which she did under protest and so notified all the friendly Powers.

At the Paris Conference, at the Washington Conference, and before the League of Nations' China reiterated her protests against those exactions of Japan and repudiated them all at suitable occasions. At the Washington Conference, China refused to conduct separate negotiations with Japan and insisted that Sino-Japanese questions must be discussed in purview of the whole Conference. By signing the Nine-Power Treaty of Washington, China's territorial integrity and administrative autonomy were guaranteed by all the Powers and it was definitely stated that Manchuria is an integral part of China's territory. That Treaty also provided for appeal to the signatory Powers in the event of disagreement about the interpretation of the Treaty and the infraction of its terms.
Subsequent to signing the Nine-Power Treaty, the Chinese Government has invariably in its relations with Japan and other Powers insisted upon observing the terms and the principles of that Treaty, but, owing to Japan's continuously trying to step outside the Treaty and to insist upon having special rights in China, especially in Manchuria, the Chinese Government has been unable to avoid disputes and frictions with Japan which, when serious, China tried to refer to the League of Nations and the Court of International Justice. China gladly became party to the Kellogg-Briand Pact renouncing force as a means to settle international disputes and obtain political objectives and has associated herself with all similar plans to secure peace. On several occasions, China sought without success to invoke provisions of the League of Nations Covenant that obsolete and unsatisfactory treaties might be revised.

This, broadly, was the situation last September when, without provocation, Japanese troops attacked Chinese troops at Mukden and usurped control there. A careful analysis shows without doubt that Japan's military coup was premeditated and carefully planned. Dispositions were commenced days before September 18th.

It is scarcely necessary to review events in Manchuria since then. Using various pretexts, the Japanese army has overturned Chinese authority in Manchuria and taken control almost of the whole of these provinces, while China appealed in vain to the League of Nations and the peace pacts.

At times since the Mukden attack, Japan tried to draw the Chinese Government into separate negotiations, but China, following precedents set at Paris, Washington and Geneva, has refused to negotiate without the presence or participation of neutral Powers, knowing full well that she cannot singly resist Japan's pressure backed by unbridled military force which aims at the annexation of Manchuria.

Those tactics failing to frighten the Chinese Government, Japan decided to carry military action into the heart of China, showing her contempt for and indifference to world opinion, with the purpose of convincing the Chinese that it was hopeless to appeal for outside help. During the four months of continuous Japanese military aggression, the indignation of the Chinese people was aroused to the highest pitch, while the Chinese Government, already harassed by natural calamities, was faced with the task of dealing with invasion from without and restraining popular feeling within.

Having sent naval forces to Shanghai with the stated purpose of protecting Japanese residents and property there, the Japanese Government presented through the Japanese Consul-General certain demands to the Chinese local authorities at Shanghai, requiring complete acquiescence by six o'clock p.m. on January 28th. At two o'clock that afternoon, the Chinese replied fully accepting Japan's demand and were assured by the Japanese Consul-General that the reply was satisfactory. Nevertheless, at midnight that night, Japanese naval forces advanced into Chinese territory and attacked the Chinese police and garrison troops. The Chinese Government has no doubt that disinterested foreigners on the scene have more or less correctly informed the world of events at Shanghai since January 28th, but the Chinese Government wishes to emphasise the following points:

The Japanese naval and military forces have used the International Settlement at Shanghai both as a base for their attacks on the Chinese police and troops and as a sanctuary where they can retire when repulsed and for recuperation and re-supply.

The Chinese troops, in defending China's soil from ruthless invaders, have been unable to reply effectively to the Japanese attacks without endangering the lives and property of thousands of friendly neutral foreigners residing in the International Settlement and surrounding suburbs and have been unable to pursue their Japanese attackers without risking a conflict with friendly neutral foreign police and troops protecting the Settlement.

The Japanese naval and military forces have used the river-front docks within the International Settlement to land troops, artillery and supplies. Japanese warships anchored in the Whangpoo River alongside the International Settlement fire over the Settlement at Chinese forces resisting Japanese attacks in Chinese territory outside the Settlement, and Chinese artillery cannot reply effectively without gravely endangering scores of neutral vessels in port. The Japanese flagship with the Japanese admiral and staff directing attacks lies alongside the wharf near the centre of the Settlement.

Japanese airplanes bombed all parts of Chinese districts of Shanghai, also parts of the International Settlement and then withdrew over the mid section of the International Settlement.

Japanese military forces and civilian un-uniformed elements have killed and injured presently large number of Chinese peaceable unarmed men, women, children, estimated between one and two thousand, and imprisoned, maltreated many others and executed many without trial.

Japanese bombings and fires started by bombs already have destroyed property roughly estimated at hundreds of millions of dollars.
The Japanese Government excuses these atrocities by alleging the military peril due to proximity of Chinese troops. The Chinese Government solemnly declares that such excuse is a transparent pretext, as it is impossible to send Japanese troops anywhere in China without being surrounded by Chinese population and near Chinese troops occupying their regular stations. Japanese military forces have pushed forward into China's territory, always making the excuse that nearby Chinese troops constitute a menace. It is evident that such reasoning provides excuse for the complete conquest of China by Japan.

When the United States of America and Great Britain, supported by France, Germany and Italy, recently presented to Japan and China a note in five points designed to end hostilities and to bring about the liquidation of this situation worse than war, the Chinese Government without hesitation accepted the proposals of the Powers in full.

In flatly turning down, first, the proposals of the International Shanghai Defence Committee, then the Powers' five proposals and more recently still the British Admiral Kelly's scheme, Japan is thus closing every avenue to peace, leaving China no alternative but to continue to adopt appropriate measures for self-defence to the best of her ability.

The Chinese Government asks the world to contrast known facts of Japan's acts in China during recent months with the Japanese Government's latest statement that "it is the immutable policy of the Japanese Government to ensure tranquillity in the Far East". Also to contrast Japan's statement that "her troops in China are only to discharge an international duty" with the efforts of the League of Nations and Washington Treaty Powers to induce Japan to withdraw her troops from China and to cease warfare. Also contrast Japan's frequent declarations that she has no territorial ambitions vis-à-vis China with her refusal to submit the Manchurian and other Sino-Japanese questions before a conference of Treaty Powers. Also contrast Japan's acts at Shanghai causing immense destruction of the property of all nationals and loss of lives with her statement that she acted in Shanghai in co-operation with the other foreign defence forces and foreign municipal authorities and with the latest statement of the Shanghai foreign Municipal Council that "Japanese Government and not the Municipal Council is solely responsible for acts of the Japanese armed forces in Shanghai".

The Chinese Government positively denies that the Chinese violated the temporary truce arranged on January 29th. Because of the suddenness of the armistice, it was not possible to get orders to all outposts resulting, during the night, in desultory firing between the outposts on both sides. The Japanese command resumed attacks at daybreak of January 30th.

Since Japan's astounding action in Mukden last September, it has been the unswerving policy of the Chinese Government to avoid, by all means at its command, a state of war and to that end it has endured intense humiliation, risked its own existence in face of popular feeling, in the hope that the worldwide pacific measures might check Japan's reckless course. Despite the failure so far of the pacific agencies, the Chinese Government adheres to its faith in world justice, but it cannot passively submit to Japan's invasion of China's territory and slaughter of Chinese people. It therefore solemnly declares to the world that China will continue to resist in self-defence Japan's attacks at all points and with all the forces at its commands.

The Chinese Government further declares that it is China's desire to settle issues in connection with the present crisis in pursuance of interested Powers and in accordance with principles guaranteeing world peace and the sovereignty, independence, and territorial and administrative integrity of China.

Appendix VI.

RAILWAY GUARDS.

Railway guards were kept by Japan along the railways after the Russo-Japanese War originally on the ground of the post bellum disorder in Manchuria, but have been maintained there ever since against Chinese protests. They consist of the following kinds:

(a) One division of regular troops, with headquarters at Liaoyang and garrison points at Changchun, Kungtsuling, Tiehling, Mukden, Liaoyang and Haicheng, besides Port Arthur in the Leased Territory; and

(b) Six battalions of specially organised guards stationed along the railways, with headquarters at Kungtsuling.
The railway guards are under the control of the Commander of the Kwantung Army, with headquarters in the Leased Territory, who, according to the Japanese Imperial Ordinance of April 12th, 1919, is to “have command over the military forces in the Kwantung Province and South Manchuria”; to “be responsible for the defence of the Kwantung Province and the protection of the railway lines in South Manchuria”; and to “have the power to employ military forces” in discharging his duties, “when he deems it necessary.” The article containing the last provision continues:

“The Commander shall comply with the request of the Governor of Kwantung for the despatch of troops necessary for the preservation of peace and order in the region under the Governor’s jurisdiction, as well as in connection with police affairs in the lands attached to the South Manchuria Railway; but he may adopt such expedient military measure as occasion may require in case of emergency too urgent to wait for a request from the Governor.

“Any such contingencies as the foregoing shall be reported to the Minister of War and the Chief of the General Staff.”

Appendix VII.

WITHDRAWAL OF THE RAILWAY GUARDS.

With regard to railway guards, the claim that they have a treaty basis of their own cannot be any better sustained. Article V of the Chinese Eastern Railway contract reads:

“The Chinese Government will take measures to assure the safety of the railway and of the persons in its service against any attack.

“The Company will have the right to employ at will as many foreigners or natives as it may find necessary for the purpose of administration, etc.

“Criminal cases, lawsuits, etc., upon the territory of the railway, must be settled by the local authorities in accordance with the stipulations of the Treaties.”

The foregoing translation from the French text may also be compared with a translation from the Chinese text, which reads:

“The said railway and its employees the Chinese Government will take measures to protect. As to the personnel, Chinese and foreign, necessary for the operation of the railway, the said Company is permitted to employ at will. All criminal cases, lawsuits, etc., upon the lands of the railway shall be administered by the local authorities in accordance with Treaties.”

It is clear from the foregoing provisions that Japan did not have a right to maintain railway guards.

That such is the case is, it may be added, recognised by Japan herself. In Additional Article I in the Portsmouth Treaty, Japan reserves with Russia “the right to maintain guards to protect their respective railway lines in Manchuria,” the number of such “not to exceed fifteen per kilometre.” In Additional Article II in the Peking Treaty of 1905, under the protest of China, she, however, not only makes no claim to a “right,” but undertakes to withdraw the guards under certain conditions. This Article, translated from the Chinese text, reads:

“Since the Chinese Government declares that it earnestly hopes that Japan and Russia will rapidly withdraw their troops now in Manchuria as well as the railway guards, the Japanese Government is prepared to meet China’s wishes. When Russia agrees to withdraw her railway guards, or when China and Russia agree to adopt other proper measures, the Japanese Government will consent to take similar steps. Again, when the order of Manchuria is restored and China is in the position to give full protection to the lives and property of foreigners, Japan will also simultaneously with Russia withdraw the railway guards.”

Since Japan has no right to maintain the guards and has so admitted, their withdrawal is but a matter of duty. It may also be added that, even on the basis of the two alternative conditions she imposed for carrying out her duty, she has no reason to tarry. “When Russia agrees,” runs the first condition, “to withdraw her railway guards, or when China and Russia agree to adopt other proper measures, the Japanese Government will consent to take similar steps.” It is a common knowledge that Russia has so agreed. “The Governments of the two Contracting Parties,” says Article IX, Section I, of the Sino-Russian Pekin Agreement of May 31st, 1924, “declare that, with the exception of matters pertaining to the business operations which are under the direct control
of the Chinese Eastern Railway, all other matters affecting the right of the National and Local Governments of the Republic of China, such as *** matters relating to *** military administration *** shall be administered by the Chinese authorities. " "When the order of Manchuria is restored ", runs the alternative Japanese condition, "and China is in the position to give full protection to the lives and property of foreigners, Japan will also, simultaneously with Russia, withdraw the railway guards. " It is scarcely necessary to say that the restoration to a normal, from a post bellum, situation, which is contemplated in the text and is the only condition that could have been contemplated there, must have taken place not long after the cessation of armed conflict between Japan and Russia. At least, there has been no indication to the contrary ever since the re-organisation of the Manchurian administration in 1907, from which time twenty-five years have now elapsed.

Appendix VIII.

CHINESE STATEMENT ON MANCHURIA'S PUPPET GOVERNMENT
(February 22nd, 1932).

The Three Eastern Provinces, also known as Manchuria, are always an integral part of China and any usurpation or interference with the administration therein constitutes direct impairment of China's territorial and administrative integrity. Article of the Organic Law of the National Government of October 4th, 1928, which was proclaimed in the Three Eastern Provinces (Manchuria) as well as in other provinces of the Republic, provided that the National Government shall exercise all governing powers in the Chinese Republic. The Provisional Constitution of June 1st, 1931, expressly provides that the territory of the Chinese Republic consists of the various provinces, Mongolia, and Tibet, and that the Republic of China shall be a unified Republic forever.

The territorial, political and administrative integrity of the Chinese Republic, besides being an attribute of a sovereign State and of international law, is guaranteed by Article 10 of the Covenant of the League of Nations and Article 1 of the Nine-Power Treaty. Such guarantee has been implemented by Japan when she adhered to the League Council resolution of September 30th last, which reads partly as follows:

"The Council recognises the importance of the Japanese Government's statement that it has no territorial designs in Manchuria; ... being convinced that both Governments are anxious to avoid taking any action which might disturb the peace and good understanding between the two nations, notes that the Chinese and Japanese representatives have given assurances that their respective Governments will take all necessary steps to prevent any extension of the scope of the incident or any aggravation of the situation ...."

In the resolution of October 24th last, the Council emphasised the importance of these assurances, saying that it "recalls the Japanese statement that Japan has no territorial designs in Manchuria, and notes that this statement is in accordance with the terms of the Covenant of the League of Nations, and of the Nine-Power Treaty, the signatories of which are pledged to respect the sovereignty, the independence, and the territorial and administrative integrity of China."

The Council further states in the resolution of December 10th last that, "considering that events have assumed an even more serious aspect since the Council meeting of October 24th, notes that the two parties undertake to adopt all measures necessary to avoid any further aggravation of the situation and to refrain from any initiative which may lead to further fighting and loss of life."

This resolution was also accepted by Japan. The Chinese delegate who endorsed it declared: "China would regard any attempt by Japan to bring about complications of a political character affecting China's territorial or administrative integrity (such as promoting so-called independence movements or utilising disordered elements for such purposes) as an obvious violation of the undertaking to avoid any further aggravation of the situation."

Now, in defiance of all law and solemn obligations, the Japanese authorities who are in unlawful occupation of the Three Eastern Provinces are endeavouring to set up in these provinces a so-called independent government and are trying to compel Chinese citizens to participate in the puppet organisation. The National Government has repeatedly and emphatically protested against the illegal actions of the Japanese Government in this regard, and hereby again declares that it will not recognise the secession or independence of the Three Eastern Provinces, or any part thereof, or any administration which may be organised therein without its authority and consent.
IV. EXPLANATORY NOTE COMMUNICATED BY THE JAPANESE GOVERNMENT.

[Translation.]

To the Secretary-General of the League of Nations.

With reference to your note of February 26th, quoting part of the resolution adopted by the Council on February 19th, and asking me when you could count on receiving from me a statement of the Japanese case, I have the honour, acting on instructions from my Government, to forward herewith an explanatory note on the Shanghai incidents. As I mentioned in my note of February 28th, informing you of the appointment of our delegates to the Extraordinary Assembly, Japan will participate subject to the reservation mentioned in that communication. The explanatory note attached hereto is not, properly speaking, the statement referred to in the second paragraph of Article 15, but rather simply an explanation of what has occurred at Shanghai. I trust, however, that you will find in it the necessary information and the essential facts. I should be grateful if you would communicate it to the Assembly.

(Signed) N. SATO,
Representative of Japan on the Council of the League of Nations.

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I. REVOLUTIONARY POLICY OF THE CHINESE NATIONALIST GOVERNMENT.

1. The Chinese military and revolutionary Government, formed in 1912 by the Nationalist Party, of which Sun Yat Sen was the founder, adopted the so-called three “Min” policy recommended by the latter. That policy was based on equality of races and the principle of nationalities, the rights of the people (democracy) and the right of every individual to the means of livelihood. Foreign policy more particularly took as a basis the first axiom and proclaimed the liberation of the Chinese people and anti-imperialist tenets.

The principles adopted in 1913 by the Nationalist Party in regard to foreign policy were as follows:

(a) Abolition of all rights based on “unequal” treaties, more particularly extrerritoriality, administration of Customs by foreigners, foreign political influences in China prejudicial to the latter’s sovereignty. Substitution for such treaties of other treaties on a footing of reciprocal equality.

(b) Recognition of most-favoured-nation status for all countries which might voluntarily relinquish their privileges and for all countries prepared to abrogate treaties according them rights prejudicial to Chinese sovereignty.

(c) Modification of other treaties, concluded between China and the Powers, prejudicial to the interests of China.

(d) Pledging and repayment of loans would be agreed to only in so far as China suffered no damage from a political or economic standpoint. The Chinese people does not consider itself responsible for loans concluded by Governments whose undertakings it cannot endorse—for example, a Government elected in virtue of money, such as the Pekin Governments under the former Presidents.

The Nationalist Government’s foreign policy was, in short, to come to an agreement with countries which relinquished their rights and to oppose th and those which failed to do so. Its fundamental basis was the unilateral denunciation, without any consideration for the wishes of the other party, of all foreign rights, more particularly loans and so-called “unequal” treaties. After the death of Sun Yat Sen, the Nationalist Party and the Government of the nationalist and revolutionary army pursued this policy, proclaiming even more energetically their anti-imperialist tenets. In 1926 Chiang Kai Shek, the Head of the Government, marched northwards again with his armies against the Northern generals. During his expedition he proclaimed: “If the nationalist revolution succeeds, China will immediately denounce all unequal treaties”.

2. The Revolutionary army won a series of victories, and at the beginning of 1927 was on the point of seizing Nanking and Shanghai. The attitude of the Nationalist Party and of the Revolutionary Government became increasingly arrogant. Frequent attempts were made against the life and property of foreigners wherever the revolutionary Army appeared, especially in the Wuchang and Hankow region, where the nationalist Left and communist elements had set up the Wuhan Government. The Communist Party’s activities were particularly violent and the anti-imperialist movement was becoming increasingly dangerous. The anti-foreign movement took the form of direct action, the most memorable example being the taking by force of the British Concessions at Hankow and Kiukiang early in 1927. The Wuhan Government had not officially taken part in that action, but the latter had, in point of fact, been carried out under the direction of the leaders of the Chinese Communist Party, on which the Wuhan Government depended. That was conclusive proof of the will of the Chinese leaders to deprive foreigners of the rights which they enjoyed.

3. The Wuhan Government’s rival—that is, the Nanking Government, consisting of the nationalist Right—appeared more moderate, at all events from a formal standpoint. Actually, however, its tendencies were as violent as those of the rival party, and both had adopted as their fundamental policy the denial of foreign rights and interests—a policy which coloured all their actions.

The Nanking Government lost no opportunity of declaring its intention of denouncing “unequal” treaties, and reiterated openly that it had entered into an undertaking with the Chinese people to sweep away the rights and interests of foreigners. On December 28th, 1929, it promulgated a law abolishing extrerritoriality as from January 1st, 1930. The Powers all protested against this attempt to abrogate international undertakings by means of an internal law.

In the face of this attitude the Chinese Government sought to temporise; in December 1931 it published a declaration full of threats to the effect that if a satisfactory solution was not found for the question of extrerritoriality before the end of February 1932, it would pursue its policy by means other than diplomatic means. Lastly, it officially declared its firm intention of denouncing treaties unilaterally, by promulgating the “Regulations concerning judicial procedure in regard to foreigners”.

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The statements of responsible officials concerning the taking by force of the foreign Concessions and " Settlements ", the appeals for concerted anti-foreign action, are all so many examples proving how impossible it is to apply to such a policy the customary rules for international relations.

II. ANTI-FOREIGN AGITATION IN CHINA.

1. As has been shown above, the foundations of Chinese policy under the direction of the Nationalist Party are the denunciation of " unequal " treaties and the withdrawal of the legitimate rights and interests of foreigners.

The weapons used by the party to achieve its purposes are anti-foreign agitation and boycotting.

The agitation is directed against all the foreign Powers and not against one or a few of them. Unless it abandons all the rights and interests which it possesses, every Power is liable to find itself at any moment the object of this agitation.

2. The latter should be considered from two different aspects: first, that of anti-foreign education and organisation which have been pursued secretly and continuously for many years, and, secondly, that of the sporadic violent agitation and boycotting directed for a time against one or several individual nations.

(a) The methods employed to consolidate the anti-foreign attitude of the nation are chiefly education inculcating a hatred of foreigners and the celebration of days of national humiliation.

The Nationalist Government has laid down as a basis of the national education the teaching of the three principles of Sun Yat Sen. Article 47 of the Provisional Law of 1931 lays this down clearly. One of the compulsory subjects for the civil service examinations is the study of the principles of the Nationalist Party. Anti-foreign text-books have been compiled for the elementary and secondary schools, where their use is compulsory. These text-books present the facts in a misleading or false light. They stir up hatred of the foreigner and openly encourage feelings of revenge. Instead of educating the Chinese nation, it must unfortunately be recognised that they poison it.

The Nationalist Government, in instituting and celebrating days of national humiliation and similar commemorations, endeavours to keep alive in the hearts of the nation the memory of conflicts with foreign countries. It thus develops a narrow patriotism and an anti-foreign spirit.

The number of these days of humiliation is very large. They are observed by the Nationalist Party and the Chinese Government, as well as by public organisations. They are often public holidays. Special commemorative ceremonies are even organised.

(b) The Nationalist Government is aware of the difficulty and disadvantages of organising a general movement against all foreign countries. It therefore first of all attacks one or several countries, chosen according to the necessities of the moment, provisionally moderating the agitation against other nations.

3. For example, at the time of the so-called V.3o case (May 30th, 1925), the chiefs of the Nationalist Party ordered the students' organisations to concentrate their efforts against Great Britain, and the members of the Canton Military Government openly gave the same directions to their subordinates. This agitation imperilled British trade and the lives, rights and interests of British nationals in China. British concessions were even taken back by force. Before these events Great Britain had, since December 1926, adopted an extremely conciliatory attitude towards China: at the Peking Customs Conference, for example, she had proposed to the Powers parties to the Washington Treaty concerning the Chinese Customs tariff the unconditional acceptance of the surtax provided for by this Treaty; and in January of the following year she had proposed the most liberal concessions to the Chinese Government for the settlement of the questions pending between Great Britain and China.

The latter showed no appreciation of these efforts at conciliation, and on the contrary directed against Great Britain the violent campaign which has just been mentioned, and as a result of which Great Britain was compelled, in order to protect her nationals and her rights and interests in China, to send large armed forces there in January 1927.

The anti-British movement became more and more violent and on March 23rd a premeditated attack was made against the foreign consuls and foreign nationals at Nanking by the regular Chinese troops. The losses suffered by the Japanese, British, Americans and French were enormous. Ordinary remedies were unavailing, and British and American warships were obliged to bombard Nanking.

The anti-British movement was extended to Americans also and soon developed into a campaign against all foreigners. On April 3rd, the Japanese concession at Hankow was attacked by a Chinese crowd; numerous Japanese were wounded, and houses were pillaged. The movement spread all through the valley of the Yangtse, which the Japanese had to leave, withdrawing to Shanghai or returning to Japan.

The Nationalist Army proceeded towards the north. The Japanese Government then decided to send troops to Shantung so as not to leave the numerous Japanese nationals inhabiting these provinces at the mercy of the Nationalist soldiers. The anti-Japanese campaign
then redoubled in violence. It attained its height after the fighting which took place at Tsinan, where the Nationalist forces entered the town and attacked the Japanese troops who were quartered there. A communication was sent to the League of Nations at that time by the Japanese Government.

4. Since then the anti-Japanese campaign has continued, whereas the anti-British and anti-American agitation has abated. This does not prove, however, that China has changed her attitude towards other countries. She knows well enough that a general campaign would unite all the Powers against her, and she understands that she would be in an impossible situation. The anti-Japanese campaign is at present engaging her attention too exclusively for her to be able to disperse her efforts. The experience of the past shows that she would soon turn against the other Powers if her present campaign were successful or if a favourable occasion presented itself.

III. ANTI-JAPANESE MOVEMENTS IN CHINA.

1. We shall begin by summarising briefly the principal anti-Japanese movements in China since 1908.

(a) A whole series of boycotts have occurred in 1908, after the Japanese protest against the illegal seizure of the s.s. *Tatsu-Maru*, which was taken to Canton; again, in 1908, after the decision of the Japanese Government to extend the Antung-Mukden Railway under the terms of the agreement concluded with China; in 1915, in connection with the Sino-Japanese negotiations; in 1919, as a protest against the articles of the Versailles Treaty relating to Shantung; and in 1923, in consequence of the refusal to cede the leased territory at Kwantung.

(b) In 1925 the movement, which at the outset was solely anti-British, later became general, becoming anti-American and anti-Japanese (see Part II).

(c) In June 1927, serious disturbances occurred at Tsinan. The National troops committed outrages against the Japanese residents, just as they had indulged in looting and cruelties against British and American nationals in Central and South China. In the course of the Tsinan disturbances thirteen civilians, women and children among them, were killed under the most barbarous circumstances, while twenty-eight persons disappeared. A year later serious trouble again occurred in the same region.

(d) The present anti-Japanese movement is the most serious since 1908. It began in June after the Wanpaoshan incident (flagrant denial of justice to Corean peasants in Chientao, interference of the Chinese authorities, reprisals by Coreans on Chinese at Jinsen, Seoul, etc.). The incidents which subsequently occurred at Shanghai will be discussed in detail in Part IV.

2. The anti-Japanese campaigns and the movement for the boycotting of Japanese goods had been increasing steadily during the last fifteen years. Since the Nationalist Party came into power, these movements have been not only tolerated or encouraged by the Chinese Government, but have been under the direct or indirect control of the Nationalist Party (Kuomintang). Where the population did not support the movement, severe penalties were exacted. It is a case, therefore, of an organised campaign conducted for purposes of foreign policy, in which the population is compelled to join whether it wishes to or not.

No doubt can exist as to the anti-Japanese agitation. It is conducted under the orders of the Nationalist Party with the encouragement of the Chinese Government.

The organisation which is the mainspring of the entire movement is the association for the support of anti-Japanese movements which has taken the name "Anti-Japanese Association for the Defence of the Country". It is a private organisation, but set up by the agency of the Nationalist Party, and is recognised by the Chinese Government. It has sections throughout the country. Its heads are the leaders of the party or of local sections and the principal members of the chambers of commerce. Administrative authorities have also on numerous occasions given orders of an anti-Japanese character. Thanks to the concerted action of the anti-Japanese associations, the movement has been strongly organised and identical action has been taken throughout the country. It is in the districts which are under the direct authority of the Nanking Government in the Yangtse valley that the anti-Japanese campaign has been most violent and most successful.

The anti-Japanese associations issue the following instructions:

1. Not to buy Japanese goods;
2. Not to use Japanese goods;
3. Not to transport Japanese goods;
4. Not to use Japanese currency;
5. Not to use Japanese vessels;
6. Not to have personal relations with Japanese;
7. Not to work for Japanese;
8. Not to deposit money in Japanese banks;
9. Not to supply Japanese with food;
10. Not to go to Japan on business or for study.
In order to force Chinese merchants to conform to these rules, the anti-Japanese associations have taken steps

(1) To enforce the registration of Japanese goods in the hands of Chinese: it is proposed to take steps to check and confiscate such goods;
(2) To compel Chinese in the employment of Japanese to leave their employment or to go on strike;
(3) To keep a watch on Chinese who have relations with Japanese;
(4) To exact various penalties such as confiscation of goods or property or corporal punishment. (Offenders are liable to be dragged through the city or put in cages and exposed to the public view.)

Since July, the anti-Japanese campaign at Shanghai has attained an unexampled degree of intensity. Not only has a large quantity of Japanese goods in the hands of Chinese been confiscated, but goods belonging to Japanese have also been looted or seized.

Towards the end of September, the anti-Japanese campaign extended over practically the whole of China and was highly effective. Commercial relations with Japan were de facto interrupted. The big Japanese spinning concerns had their contracts cancelled. They could not obtain transport. Goods accumulated in the factories. They were compelled to reduce the length of the working day and ultimately to suspend activities altogether. Japanese banks ceased entirely to do business with Chinese. Shipping companies were compelled to lay up a number of ships. The Japanese population was exposed to vexations and in many cases to actual violence, and was frequently compelled to leave its dwellings in order to take refuge in districts where safety was assured. In many localities the women and children had to be evacuated.

Japanese living in places where they were dependent on Chinese for their food supply were also compelled to quit their residences. Our consulates at Chenchow, Chentu, Yunnanfu and Chihfeng had to be evacuated at the end of October. At the end of December, the number of Japanese compelled to evacuate different places in Central China was over 1,700. Full details on this subject have been communicated by the Japanese delegation to the League of Nations.¹

The Japanese Government protested repeatedly against this campaign; on October 9th, 1931, it despatched a formal note of protest to the Chinese Government. In communicating this note to the League (document C.690.M.296.1931.VII), it submitted to the opinion of the world the proceedings to which the Nationalist Government had had recourse. No improvement, however, was to be noted. On the contrary, the Chinese authorities maintained that the campaign was no more than a spontaneous expression of Chinese patriotism, and did nothing but encourage—and thereby appreciably aggravate—the situation. This attitude did not fail to produce incidents. On December 31st, Japanese were assassinated at Canton. On January 2nd, 1932, Japanese officials were assaulted and insulted at Fuchow. The Chinese Press published articles containing insults to the Japanese Imperial house, and the nervousness and indignation of Japanese nationals in China increased from day to day. It was at this juncture that the Shanghai incident occurred.

IV. SHANGHAI INCIDENTS.

I. The recent anti-Japanese agitation and the various forms in which it manifested itself have been succinctly described in the previous chapter. We will now examine the Shanghai incidents.

Shanghai is the most important centre of Japanese commerce and shipping in Central and Southern China. Japan possesses interests in Shanghai amounting to several hundred million yen.² The Japanese residents number about 27,000. The extent of their interests has been increasing every year.

Since the Wanpaoshan incident (see above, page III), Shanghai has been the centre of that anti-Japanese agitation which has now extended all over China. In Shanghai itself the anti-Japanese associations had been strongly organised under the direction of the Nationalist Party and had for several months been indulging without restraint, both inside and outside the Settlement, in the most reprehensible acts of violence. It would be difficult to give a list of the quantities of goods belonging to Japanese which have been seized in course of transport. Children going to school, Japanese women and girls have been insulted and molested in the street. Up to December 1931 more than 600 cases of this kind occurred, the number of victims being more than 1,000. Since September, the Chinese authorities had been adopting vexatious measures of every kind, such as refusing to accept correspondence; the interception of newspapers; and refusing or hindering telephone calls. By the end of September, Chinese agents and employees in banks and business firms had almost all been forced to quit their employers. At the beginning of October, a strike was engineered among the lightermen. Certain Chinese merchants refused to sell to Japanese articles of primary necessity such as rice and coal.

² See document C.241.M.111.1932.VII.
The anti-Japanese organisations conducted their campaign with particular violence under the cloak of a patriotic movement, calling themselves "Anti-Japanese Associations for the Defence of the Country". Since the middle of October, they have frequently attacked Japanese mills and shops, causing serious damage, and have forced the Chinese workers to go on strike. When these matters were brought before the Chinese Courts, the latter merely inflicted light fines on the offenders and even in certain undoubted cases of robbery with violence, the Courts, considering that these acts had been committed on patriotic grounds, only punished the offenders with a very small fine. The penalties themselves were not really enforced: time and again offenders have been bound over, a fact which has naturally tended to encourage further acts of violence.

As a result of this state of affairs, Japanese trade and shipping have borne the heaviest losses they have ever suffered hitherto, and although it is difficult to estimate these losses accurately in figures they certainly amount to several hundred million yen. Japanese business firms at Shanghai are at present unable to transact any business direct with the Chinese. Shipping companies have curtailed the number of their sailings, while more than half of their vessels are laid up. Undertakings of every kind are in a critical condition. The business of most of the merchants and manufacturers has, since the beginning of November, been completely at a standstill: many of our nationals have in fact been deprived of their means of livelihood.

The action of the anti-Japanese organisations referred to has not merely dealt a serious blow at the commercial and industrial activity of the Japanese; it possesses another—and by no means negligible—aspect. It has fomented and encouraged among the Chinese masses violent feelings of contempt and hostility towards Japan. Obviously and naturally such feelings on the part of the Chinese, coupled with the sufferings caused by the heavy losses incurred by the Japanese, have found their echo among the Japanese themselves. These circumstances were such as might produce the most deplorable effect on the relations between China and Japan. Aware of this regrettable state of affairs, the Japanese Minister and the local Chinese authorities to put a stop to this anti-Japanese agitation. These requests never produced any result, although our authorities made every effort, while the Japanese marines stationed at Shanghai had to be maintained continuously on the alert in order to protect our nationals.

2. Such was the atmosphere at Shanghai when on January 9th this year the Minkuo Daily News, organ of the Nationalist party at Shanghai, published an article insulting the Japanese Imperial house. Following on an energetic protest by the Japanese Consul-General, the Municipality of Greater Shanghai admitted the culpability of the newspaper and made an official apology; the director of the newspaper was dismissed, the editor directly responsible was punished and the paper itself published a rectification and an apology. The affair was thus terminated officially, but it had produced among Japanese nationals a readily comprehensible emotion owing to the particular veneration in which the Imperial family is held in Japan.

At this juncture, on January 18th, two Japanese monks, accompanied by three of their followers, were, without any provocation, attacked by workmen from a Chinese factory, well known as a centre of the anti-Japanese agitation and situated in the Chinese quarter near the eastern boundary of the Settlement. The five Japanese were all wounded; one of them subsequently died as a result of his wounds. A group of Japanese attacked this factory on January 20th by way of reprisal.

3. The Japanese Government could not but conclude that an attack on its nationals such as that which occurred on January 18th was the result of the enmity to and hatred of the Japanese that had long been fomented by anti-Japanese associations. The Chinese authorities had up to then tolerated and even made use of the action of these illegal anti-Japanese associations and, in spite of frequent warnings from the Japanese authorities, had shown no sincere desire effectively to repress their activities. It was natural therefore that they should be held responsible for the consequences of their inaction or ill-will. If the outrages against Japanese were to be stopped, it was absolutely necessary that these illegal organisations should be abolished. Consequently, on January 21st, the Japanese Consul-General addressed to General Wu, the Mayor of Greater Shanghai, the following demands:

(1) Apologies to be made by the Mayor;
(2) Punishment of the guilty persons;
(3) Compensation to be paid to the victims;
(4) Repression of illegal and improper acts by the Chinese population directed against Japan, and, in particular, the immediate dissolution of all the Shanghai anti-Japanese patriotic committees and all anti-Japanese associations.

On January 25th, a further note was handed in explaining these requests in greater detail. The Mayor was also informed that, failing proof of sincerity on the part of the Chinese, Japan would be obliged to take the necessary protective steps.

Meanwhile, on January 21st, the Minkuo Daily News had published a statement to the effect that the attack on the Chinese factory by Japanese had taken place under the protection of marines. The latter could not ignore such a slur on their prestige and honour, and on January 23rd, after the Municipal Council of the International Settlement had been notified,
the officer commanding the Japanese Landing Corps forwarded an energetic protest to the Chinese newspaper. The latter published a rectification, but would not publish an apology. While the Japanese naval authorities were considering what steps they should take, the Municipal Council of the International Settlement having also come to the conclusion that the presence within the Concession of this newspaper and the central organ of the anti-Japanese associations was a menace to public order, caused the offices of the Min-kuo Daily News to be closed on January 26th and stated that it was ready to co-operate with the Japanese authorities if the latter decided to take action against the central organ of the anti-Japanese associations.

4. The municipal authorities of Greater Shanghai gave the impression that they intended to comply loyally with the Japanese demands; a whole week had, however, elapsed since those terms were received and as yet no reply was forthcoming. On January 25th, an extraordinary meeting of the Central Council of the Nationalist Government was held at which (it was reported) the decision was taken that the Chinese troops stationed at Shanghai should make important defensive preparations. It was also decided to encourage acts of anti-Japanese agitation in every way, provided such acts did not amount to personal attacks on, and did not directly affect the life and property of, the Japanese. Moreover, the question of the breaking off of economic relations with Japan had been on the agenda since January. These circumstances encouraged the authorities and population to adopt an increasingly hostile attitude. Chinese forces were rapidly being concentrated in the neighbourhood of Shanghai and barricades of sandbags with barbed wire entanglements were erected, while trenches were dug in the region of Chapei, which borders on the quarters of the Settlement and the Extension where the greatest number of Japanese reside. It was rumoured that in case of conflict, 6,000 Chinese gendarmes and the Chinese naval forces were ready for action.

A feeling of the utmost alarm began to spread among the Japanese and Chinese inhabitants and there was ground for fearing a panic with the most appalling results. The Japanese Consul-General accordingly decided, on January 27th, to ask for a reply from the Mayor of Shanghai by 6 p.m. on the following day and sent notice of this step to the British, American and French Consuls-General and to the authorities of the International Settlement and the French Concession.

At the same time he informed the police of the Municipal Council that, in the event of the demands not being accepted, he would be forced to take direct action against the Central Association. He asked to be informed whether the municipal police was intending to take steps to occupy the buildings in question. He added that he would not fail to notify the municipal authorities in the event of its being decided that action would be taken by the Japanese forces.

The Municipal Council, in view of the notorious lack of discipline among the Chinese troops and of the hordes of refugees who were crowding into the Settlement, feared that disturbances might break out, whether the Japanese demands were accepted or no. A meeting, therefore, attended by the commanders of the British, American and other troops, was held on January 26th to consider what protective measures should be taken. As soon as the Japanese note was received, a further meeting was held on January 27th, at which the commanders of the foreign forces were present, and it was decided that in case of need the Municipal Council would proclaim a state of emergency and that the foreign troops would occupy the positions assigned to them in a joint defence scheme which had been drawn up in August 1931. This scheme had been prepared by the commanders of the international forces at the request of the Municipal Council and communicated to the respective Governments for approval. At noon on the 28th, the Municipal Council met again and decided to proclaim a state of emergency at 4 p.m. At 5 p.m. the British and American troops took up their positions, followed by the other foreign forces.

5. At 3.15 p.m. on the same day the principal secretary of the Mayor of Shanghai went to the Japanese Consul-General and handed him a note in which the Mayor intimated his acceptance of the Japanese demands. The Consul-General, regarding this reply as satisfactory, accepted the note and at the same time insisted that energetic action should be taken without delay to suppress the anti-Japanese associations. He also pointed out the possible danger of disturbances occurring after the publication of the Chinese reply and urged that adequate measures should be adopted to ensure the maintenance of order. He drew the Chinese authorities' attention likewise to the provocative attitude of the Cantonese forces in the Chapei district and insisted on a stop being put to the forward movements of the troops and of the removal of the military works put up by the Chinese soldiers.

The Mayor replied that he would make every exertion to meet the Japanese authorities on these various points and undertook to assume entire responsibility for the protection of the lives and property of Japanese nationals. The Japanese authorities accordingly decided to watch the way in which the Chinese carried out their promises, while the naval authorities made their arrangements for the maintenance of order. In the evening of the 27th, the Chinese municipal authorities had given secret orders to the Police and the Municipal Social Bureau to proceed to break up the various anti-Japanese associations (document C.154.M.67.1932), and the Chinese Press announced that, on the morning of the 28th, six of them, inside and outside the Settlement, had been

1 Document C.154.M.67.1932.VII.
dissolved. Events, however, were destined to prove how little reliance could be placed on the Chinese promises. On the morning of the same day, a bomb was thrown at the Japanese Consulate General by members of the "shock troops of the anti-Japanese associations". In the afternoon of the same day, about 5,000 students went to the Town Hall and violently attacked General Wu, censuring him for having accepted the Japanese demands. Ever since the morning, hooligans and students had been attacking civilians and the Japanese Police inside and outside the Settlement. The concentration of the Chinese troops and the digging of entrenchments were pushed on actively near the Settlement boundary, more particularly in Chapei. The strength of the troops was over 30,000, and as their attitude was becoming increasingly hostile, the Chinese residents, fearing a clash, took refuge en masse in the Settlement. Towards the end of the afternoon of the 28th, the Chapei police forces had fled, and the only result was increased disorder. The lives and property of Japanese nationals were thus exposed to more and more imminent danger. It became plain that it was neither the honest intention nor within the power of the Chinese municipal authorities to control the Chinese soldiers and fomenters of disorder.

6. The acceptance of the Japanese demands made it unnecessary for the naval authorities to take direct action against the anti-Japanese associations. The task assigned to them, however, in consequence of the proclamation of the state of emergency, of effectively protecting a sector of the International Settlement, and likewise the large number of Japanese residing in the Chapei district, called for the urgent despatch of adequate forces to their defence posts in the Japanese sector. The state of utter confusion caused by the Chinese refugees in the Chapei district hampered the rapid occupation of their positions by the Japanese marines. These positions were to be in the vicinity of the points occupied by the Chinese troops. To obviate any incident, the commander of the Japanese forces announced, at 8.30 p.m. on January 28th, that he was about to take steps for the protection of the zone assigned to him in consequence of the state of emergency. He published at the same time a proclamation requiring the speedy removal of the works constructed by the Chinese forces concentrated in the Chapei district. These proclamations were communicated to the Chinese municipal authorities of Shanghai and to the Municipal Council of the International Settlement. Towards midnight the Japanese marines proceeded to their posts in the vicinity of the North Szechuan Road. That road and also the Dixwell Road belong to the Settlement, of which they form an extension. The Japanese nationals are particularly numerous in that district. The marines had of necessity to pass through the neighbouring Chinese quarters in order to reach their posts. While doing so they were attacked by Chinese snipers in civilian clothing and then by regulars. The Japanese marines had received strict orders not to fire unless they were attacked. In the circumstances they were compelled to reply to the Chinese fire in order to perform their duties as part of the defence force. The clash between the Japanese and Chinese troops accordingly occurred in consequence of the provocation and attacks of snipers and Chinese regulars. There is no question on this point, and the Chinese version, according to which the Japanese forces, notwithstanding the satisfactory reply given by the Mayor, nevertheless took the offensive against the Chinese, is absolutely opposed to the facts.

7. After the first engagements, an agreement was concluded through the Consul-General of Great Britain and the United States of America with a view to a truce, which was to begin on the 29th at 8 p.m. The Chinese troops violated this first truce and, on the morning of the 30th, began to bombard the Japanese positions with field-guns. The Japanese forces, in order to prevent any aggravation of the situation, temporarily withdrew and informed the Consul-General of Great Britain and the United States of America of the violation of the truce by the Chinese, requesting them to issue a warning to the latter. In spite of this warning, the Chinese forces continued to fire and several shells fell into the Settlement. On the 31st, a proposal to establish a neutral zone was drawn up at a meeting held in the presence of the commanding officers of the foreign forces. It was understood that hostilities would be suspended until an agreement was reached. The Chinese forces again violated this arrangement; on the 31st, at 11 p.m., they opened artillery fire in the vicinity of the Commercial Library; on February 1st, from 1 to 5 p.m., there was heavy firing from their posts by the Northern Railway Station of Shanghai and shells fell as far as the Whangpoo, in an entirely different direction from that in which the Japanese sector was situated. At the same time, the activities of the soldiers in civilian clothes redoubled in violence, and a large number of Japanese civilians were killed or wounded by them (document C.155.M.168.1932.VII). The concentration of the Chinese troops in the direction of Shanghai continued. An armoured train was approaching the Northern Station, and there was every sign that an offensive was about to begin.

To have allowed such a situation to develop would have meant exposing the Japanese marines and Japanese nationals to the gravest perils. The Japanese forces, which were very few in number, were obliged to engage in street fighting under extremely difficult conditions. The vigorous repulse of the Chinese forces without delay was becoming essential if the Japanese
marines were to accomplish the mission of protection which had been entrusted to them. Consequently, on February 2nd, at 10 a.m., the Japanese forces decided to reply to the Chinese fire. Naval aeroplanes, which had been sent out to reconnoitre, were also attacked, and in their turn they bombèd the Chinese positions. Meanwhile, on February 3rd, three Japanese warships, which were proceeding downstream to take back to Japan the bodies of men who had fallen in the recent fighting, came under Chinese gunfire off Woosung.

8. From the outset of the present engagements, the Japanese Consul-General had considered that the only means of saving the situation was for the Chinese to cease their attacks and to consent to withdraw their troops a certain distance; he had several times made representations to this effect, but without any result (document C.220.M.115.1932.VII). Neither had the proposal to establish a neutral zone led to any positive result. In the meantime, the Chinese redoubled their attacks and brought up additional forces. On February 12th, a new truce was concluded at the request of Father Jacquinot of the Catholic Mission for the purpose of evacuating civilians from the area of hostilities. The Chinese again broke the truce and opened fire on our troops who, according to their instructions, did not reply. As stated above, the Japanese forces had been obliged to carry out their task under extremely unfavourable conditions and their losses were very heavy. It was becoming dangerous to continue the struggle with such small effectives, who were tired out after fighting for more than a week against an enemy outnumbering them by ten to one. The foreign Powers, in view of the gravity of the situation, were bringing reinforcements. Their total strength was shortly to be increased to over 18,000 men. The Japanese Government accordingly decided to send, as reinforcements, some 15,000 men of the land forces to co-operate with the marines in protecting Japanese nationals and accomplishing their international mission of protecting the Settlement. In its declaration of February 7th, the Japanese Government mentioned the reasons for this movement of troops and stated that the despatch of reinforcements would be limited to the strength required for the above purposes, and that their action would be guided by the policy of protecting the common interests of the Powers (document C.187.M.92.1932.III).

The disembarkation of these land forces was completed on February 16th. The Japanese authorities, in order not to create any difficulties for the International Settlement, took care to land the troops as far as possible outside the Settlement. They were, however, forced to land some troops in the Settlement itself. On February 14th, the Consuls-General of Great Britain and the United States of America protested against this landing of troops, asserting that the International Settlement was thus being used as a base for military operations.

It must be remembered that the British and American forces have always landed in the Settlement. Moreover, every officer commanding foreign forces has the right to land the troops necessary for the protection of the sector which is assigned to him. The Japanese Consul-General, while stressing these arguments, replied to his colleagues' protest by assuring the Powers that, with the object of preventing any danger to the Settlement, the Japanese soldiers would be transferred outside the latter within as brief a time as possible.

The Japanese authorities considered that, in order to avert the imminent danger which threatened the Settlement and its inhabitants, it was necessary to remove the Chinese forces rapidly out of gun range. Although in principle the foreign representatives at Shanghai shared the views of the Japanese authorities, they did not desire to act in concert with the latter; and although, through the intermediary of the British Minister, the Japanese military authorities conferred with the Chinese authorities, with a view to an amicable settlement of the situation, no agreement was reached. The movement of Chinese troops continuing actively, and the attitude of the Canton forces becoming increasingly hostile, the Japanese Consul-General addressed the following demands, at 9 a.m. on February 18th, to the Mayor of Shanghai:

1. Withdrawal of the Chinese first-line by 7 a.m. on February 20th; withdrawal of all troops to a distance of 20 kilometres north of the boundary of the International Settlement before 5 p.m. the same day. The Japanese troops would be withdrawn within the roads of the Extension of the Settlement at Hongkew directly the effective withdrawal of the Chinese troops had been established.

2. Further negotiations with regard to the protection of foreigners in the Shanghai region.

3. Carrying out by the Mayor of the undertakings entered into on January 28th concerning the prevention and punishment of anti-Japanese movements.

At the same time, the Commander-in-Chief of the Japanese Forces addressed demands, couched in practically identical terms to the Officer commanding the Nineteenth Cantonese Army, informing him that, in the event of non-compliance with those demands, the Japanese Army would take whatever measures might be deemed necessary. The Chinese would be held responsible for any consequence arising out of such action (document C.283.M.170.1932.VII). On the evening of the same day, the Mayor of Shanghai informed the Japanese Consul-General in reply that the Japanese demands were such that he could not transmit them to the Chinese forces, but that he would refer the matter to the Central Government.
The Officer commanding the Nineteenth Army replied to the Officer commanding the Japanese forces that, as the Nineteenth Army was under the authority of the Nationalist Government, he would ask the Officer commanding the Japanese Forces to apply to the latter.

As no direct or indirect reply had been received from the Nationalist Government by 7 a.m. on February 20th, and as the Chinese forces were still occupying their front lines and continuing their fire, the Japanese forces accorded them half-an-hour’s grace and began operations at 7.30 a.m. on February 20th.

V. REMARKS ON THE REPORTS OF THE SHANGHAI CONSULAR COMMITTEE.

The description we have just given of the origin of the Shanghai incidents is decisively confirmed in the first report of the Shanghai Consular Committee; and, as in such cases it is the origins of the conflicts which are of capital importance, we may briefly recall that, as the report says, the boycott which had been in force since July was applied with extreme severity; that it was accompanied by numerous illegal acts for which no redress could be obtained before the Courts; and that a spirit of bitter hostility was developed and led to an increase in the number of acts of violence.

The reports then describe the succession of grave occurrences which led the Japanese forces to take energetic measures of protection. Taken as a whole, these indications correspond to the description we have given of the facts. But, as the reports are relatively short, they inevitably present certain omissions. Accordingly, we must submit the following observations in connection therewith.

1. First Report.

I. The report states that “Resulted that association was closed and various offices were seized by Chinese Police during the night January 27th-28th.”

This sentence might convey the idea that the Chinese Mayor of Shanghai had suppressed the Anti-Japanese Association. It was in reality the Municipal Council of the Settlement which, on its own initiative, closed the offices of the Minkuo Daily News and decided also to close the central organisation of anti-Japanese associations, situated in the International Settlement.

2. The report says: “II p.m. Japanese admiral issued two proclamations, copies of which were served on the Mayor, who declared he had received them at 11.15 p.m.”

The Japanese admiral published his declaration at 8.30 p.m. and immediately informed the authorities concerned. When the Consul-General of Japan received the reply from the Chinese Mayor agreeing to the Japanese demands at 3.15 p.m. on the same day, he had already asked the Mayor that steps might be taken for the withdrawal of the Chinese troops.

3. The report says: “Japanese marines consequently met with resistance on the part of Chinese regular troops.”

It must be observed that this sentence is ambiguous. Japanese marines on their way to their posts were attacked by soldiers in civilian clothes and afterwards by regular troops themselves; they retaliated only in fulfilment of the duty that had been entrusted to them of protecting the Settlement.


The following observations were made by the Japanese delegation concerning this report (document C.244.M.135.1932.VII):

“I. The report mentions that the offensive is entirely in the hands of the Japanese. In this connection, it should be borne in mind that the present combats are merely the outcome of the clash between the Chinese forces and the Japanese troops who were proceeding to occupy their line of protection on January 28th. At first, the Japanese marines numbered only 1,500 and this small force, which subsequently reached some 3,000 men, had to defend a large sector inhabited by some 30,000 Japanese against hostile forces numbering more than 30,000 men. The Japanese delegation has already mentioned the special circumstances in which the Nineteenth Chinese Army was placed and which explain the violence of its attitude.

“Efforts were made to bring about a suspension of hostilities, which was naturally desired by us in view of the disproportion of the conflicting forces. In spite of the truce arranged, a Chinese armoured train opened fire against us on the 30th at about 5.20 a.m. and this firing lasted for an hour and a half. At about 9 a.m. the Chinese opened fire on the Japanese headquarters and on our position along the railway. On the 31st, at 1.20 and 4.40 p.m., they again violated the truce and by dawn about 100 soldiers were advancing near the Rokusan Garden and opened fire on our headquarters. Moreover, plain-clothes soldiers, whose activities are referred to in the report, continued to invade our lines. The second attempted truce was again violated on February 1st and 2nd, while the Chinese forces were manœuvring for the purpose of surrounding us.”
"It was becoming evident that the Chinese could not be trusted to observe the truce; a pacific attitude on our part led to increasingly greater losses and the movements of the Chinese forces, who brought up reinforcements and surrounded the salient of the Extension, rendered the position of our marines more and more critical. It was on this account that, from February 3rd onwards, our forces were compelled to attack the Chinese positions.

2. It is not quite correct to speak of the mobilisation of reservists. No general measure of this kind was adopted. A small number of volunteers armed with pistols was deputed to take action against Chinese snipers and to assist the Police. These volunteers were disarmed some time ago and only a few reservists are still employed as interpreters, guides, etc.

3. As regards the slowing-down of the municipal activities of the Settlement authorities, it should be noted that the municipal Police forces had at one time abandoned their posts. Their return and co-operation were requested by the Japanese authorities and they have now resumed their normal work. As regards the firemen, in particular, their co-operation was requested even for the quarters neighbouring on the Settlement and the Extension. (The normal activity of the Municipal Council's firemen is in principle confined to the Settlement and the Extension.) The Japanese authorities hope that the other municipal activities will shortly be fully resumed.

The flight of the Police forces and the evacuation of schools and hospitals mentioned in the report were certainly due only to the dangers of the situation and were not a consequence of the measures taken in this connection by the Japanese authorities. It is, however, true that, at the commencement of the incidents, in the general disorder, a few Chinese policemen were disarmed by mistake. On the other hand the co-operation of the Chinese Municipal Police having proved ineffective in the struggle against soldiers in mufti, these Police were on certain occasions temporarily replaced by Japanese forces.

Owing to this struggle, barricades had been built at various points, but they have at present been taken down.

4. The report says that excesses were committed by sailors, reservists and other elements having no official standing. The Japanese delegation feels bound to deny this assertion as regards the sailors and reservists.

The report mentions the attitude which the Japanese authorities adopted with regard to undesirable elements, against whose activities very severe action was taken. Many of these individuals are now in custody at the Consulate-General, while others have been deported.

5. As regards the number of Chinese whose fate is unknown, it should be noted that very probably a large number of these have taken refuge in the outskirts of Shanghai and in other towns (anyone who knows China will agree how difficult it is to follow the movements of the population in that country, particularly in large inhabited areas like Shanghai).

6. It is to be regretted that the report has not mentioned certain facts which, though denied by the Chinese, are indisputable, as, for instance, the firing by the Woosung forts on three Japanese vessels which were leaving Shanghai on February 3rd. These vessels were taking back to Japan the mortal remains of our sailors killed during the fighting of the previous days and, that being their mission, they would certainly not have opened fire on the forts. This action, which took place in full daylight, and which the Chinese deny, affords a further example of the value of allegations from Chinese sources.

If it is correct that orders were given to the Chinese soldiers regarding the truce, the frequent disregard of those orders by the said soldiers bears eloquent witness to the state of disorder and indiscipline existing in the Chinese forces. As regards the Japanese forces, orders had been issued that they should fire only in the case of hostile acts on the part of the Chinese in violation of the truce. The known discipline of the Japanese troops is sufficient guarantee that these orders were obeyed.


The following observations were made by the Japanese delegation concerning this report (document C.283.M.170.1932.VII):

1. The text of the demands addressed on February 18th by the Officer Commanding the Japanese forces to the Officer Commanding the Nineteenth Army does not appear to have been taken from the official communication of the Japanese authorities, but from a document probably of Chinese origin. It does not indicate correctly the limits of the zone to be evacuated.

2. The last paragraph of the report suggests that all the Japanese forces had made the Settlement their basis of operations. The report omits to state that a large part of the Japanese forces were stationed outside the Settlement, and commenced operations from Woo-Sung.
V. OBSERVATIONS OF THE CHINESE GOVERNMENT ON THE EXPLANATORY NOTE COMMUNICATED BY THE JAPANESE GOVERNMENT ON MARCH 2ND, 1932.

LETTER, DATED MARCH 23RD, 1932, FROM THE CHINESE GOVERNMENT TO THE SECRETARY-GENERAL OF THE LEAGUE OF NATIONS.


[Ref.A.(10).]

I have the honour to enclose copy of a memorandum entitled "Observations on the Explanatory Note communicated by the Japanese Government on March 2nd, 1932", prepared by this delegation, with the request that you will be kind enough to circulate it among the Members of the Assembly.

(Signed) W. W. YEN.

MEMORANDUM.

This document, as the letter which transmitted it indicates, evidently does not constitute the statement required to be filed, in compliance with the second paragraph of Article 15 of the Covenant. It is designated as "simply an explanation of what has occurred at Shanghai". It does, however, present certain considerations of a general nature which perhaps should not be passed over in silence pending receipt of the final statement of the Japanese case on the whole controversy. We therefore venture to comment briefly at this time upon some of the matters referred to.

1. It is stated that the Chinese people and their Government have long pursued a persistent anti-foreign policy. This charge is sought to be enforced rather by mischievous insinuation and more or less deliberate distortion of fact, than by direct proof. In this way, attempt had been made to portray a purely legitimate nationalistic spirit as something viciously anti-foreign.

When, not quite a century ago, China was thrown open to the world, she confronted a civilisation which had wide divergencies—social, cultural, political and economic—from her own. China's ancient and illustrious culture is too well known to call for detailed analysis; the point is that its distinguishing characteristics quite naturally have necessitated a process of accommodation of Chinese ideas and habits to those of western civilisation. The people of China have had to adapt themselves to an entirely new system of relations with the outside world, with which they were totally unfamiliar. For example, they knew little or nothing about foreign trade and the manner in which it must be carried on. Everybody recognises that the original treaty structure which grew out of this extraordinary situation possessed exceptional features which plainly were not destined to last for ever. Limitations upon sovereign rights were imposed by treaty. Foreign settlements and concessions were established in China. Jurisdiction over foreigners who violated the law was turned over to Consular representatives of their own nationality. Duties were laid on all imports at a flat rate of five per cent, whatever the nature of the goods, whether diamonds or watches or necessaries of life. Such arrangements as these were made nearly one hundred years ago.

As the country became adjusted to new conditions, and reforms of a social, material and judicial character took place, many of the abnormal and exceptional features of Sino-foreign relationship have been eliminated with the sympathetic approval of the Governments concerned. The United Kingdom, the United States and other Powers have co-operated and exhibited a conciliatory and friendly attitude in this respect. Various concessions and settlements have been restored by the United Kingdom and Belgium. The former has turned back the leased territory of Weihaiwei, and pourparlers have been engaged with regard to similar matters. Gradually, China had taken her place as a responsible member of international society. To designate this natural and logical development as implying anything anti-foreign is a flagrant misrepresentation of the facts. The trend is all toward a more friendly and intimate relationship between China and the rest of the world.

1 See Annex IV.
2. The intimation that the teachings and philosophy of Dr. Sun Yat Sen (namely, San Min Chu Yi) were in any respect anti-foreign is a gross libel. It is true that Dr. Sun Yat Sen advocated the abolition of the so-called "unequal treaties". That proposal has been recognised as a perfectly proper one and it carries no sinister implication whatever. The fundamental tenets of Dr. Sun's teachings were the promotion of universal peace and harmony and the creation of the international mind. The cardinal principle of equality of races and altruism among nations may be said to be one which, in fact, originated in Japan. Probably there is no better way to explain the true Japanese attitude toward Dr. Sun Yat Sen than by quoting the words of M. Tsukai, the Prime Minister of Japan:

"Ten years ago under the reign of Mutso Hito I was already tied by friendship with Sun Yat Sen. The number of his partisans was then very small. The partisans of the Tsing dynasty were the rough adversaries of Sun Yat Sen. In spite of all these obstacles, he never receded a step and it was he who finally overturned the Tsing dynasty. One can say that this master lived and died for the Chinese Revolution. Without this master, China would not have made the progress which she has attained to-day. The idea and action of this master make of him one of the greatest figures of ancient and modern history of the world. His death is not only a loss to the Kuomintang but also for China and the entire world."

3. In spite of the fact that China even to-day has to tolerate much that would be considered humiliating in any other country, such as Consular jurisdiction, concessions, etc., it is indisputable that foreign visitors and residents have always found the Chinese a friendly and amiable race of men, who respond readily when they are treated with the respect and consideration due to a fellow man. There is no ground whatever for the assertion that there is any inherent animosity. Hundreds of thousands of foreigners living and working in China can testify to this.

The development of a national self-consciousness in China, as elsewhere in the world in these times, is inevitable and laudable. Its natural result is a legitimate aspiration to assume a position of equality in the family of nations. This is being done step by step. Notable progress in this direction was made when China's tariff autonomy was restored in 1928. This objective, with the others which have been mentioned, was attained by mutual agreement amicably made with the Powers concerned. China's claim for equal treatment was publicly approved by the Assembly of the League of Nations in 1930 as in full accord with the spirit of the Covenant.

4. The insinuation that repudiation of her foreign debts is a settled policy of China is equally unjustified. Nearly every Government in the world has been obliged, in the midst of this unprecedented depression, to resort to moratoria and other expedients, and temporary defaults have not been uncommon. China is no exception. Nevertheless, in the face of calamity which has been accentuated in her case, she did at the end of 1931 meet fully all her foreign loan obligations secured by maritime customs receipts. As to other loans not so well secured, efforts have been and are being made, not without some success, to meet the interest and capital charges. Time may be required to effect a full settlement, but there never has been any question of repudiation.

In this connection, it should be noted by way of illustration that the Chinese Government has regularly provided throughout the period of the 1895 5% Gold Loan, until and including the final date of maturity thereof on July 1st, 1931, funds sufficient to pay all bonds and coupons properly due which have been presented. The only question remaining open is as to provision for bonds which were not presented when due, and as to these there are bona-fide legal controversies with the banks chargeable with the service of the Loan, arising partly over questions of accounting and questions of responsibility for fluctuations in exchange. As to other loans not so well secured, efforts have been and are being made, not without some success, to meet the interest and capital charges. Time may be required to effect a full settlement, but there never has been any question of repudiation.

5. History shows that the rise of a national self-consciousness is always accompanied by a certain amount of internal agitation. Not so very long ago, Japan passed through the same trying phase of its development which China is now experiencing. Every authentic account of Japan's unexampled history tells of disturbances during the Restoration period, which assumed a more definitely anti-foreign aspect than those found in China to-day. The Japanese themselves have always characterised these outbursts as merely incidental to the growth of the national spirit. In China, such manifestations have oftener than not been directed against the Government; and no fair analysis of the psychology of the Chinese people can justify the conclusion that there is any real bias against foreigners on the part either of the people or of their Government. There is, of course, much more to be said on this subject if occasion requires; but it must be clear that an indictment of this nature, if it is to be considered at all, must be founded on something more than vague assertion.
6. Complaint is made that the text-books used in Chinese schools inculcate an anti-
foreign sentiment. Here again the charge is not accompanied by the slightest proof and is
most emphatically denied. Until recent years, education in China was mainly restricted to
the study of the ancient classics and literature. The new system was largely borrowed from
Japan and the western world; and modern history has, of course, taken its place in the school
curriculum. It is hardly China’s fault that a faithful account of her foreign relations during
the past hundred years does not always make pleasant reading for Japan’s subjects. That
Chinese educational policy is quite the reverse of that contented for by Japan is incontestable.
Probably no nation in the past sixty years has sent so large a proportion of its students abroad
in quest of knowledge. They have gone, and are still going, in increasing numbers to America,
to Europe and especially to Japan.

7. The allegation that “movements for the boycotting of Japanese goods have been
increasing during the past fifteen years” will not stand the test of examination. For the
period mentioned, the figures show that Japan was rapidly capturing the Chinese market.
Her exports to China increased by leaps and bounds at the expense of those of other countries,
particularly of England. Almost every one of these fifteen years was a record year for Japanese
exports to China. Of all the foreign nations carrying on business with China, Japan enjoyed
far the greatest volume of trade. Her commercial supremacy in this field seemed undisputed
until she deliberately forfeited this dominant position by waging an undeclared war upon her
best customer.

From the beginning to end of the Explanatory Note there is no mention whatever of
Manchuria and of the attack which was launched on September 18th last. The note merely
states that “toward the end of September the anti-Japanese campaign extended over practically
the whole of China and was highly effective”. Can there be anything surprising about the
diminution of Japanese exports to China in these circumstances? Armed invasion, with all
the atrocities of war, is per se destructive of commercial relations. That the aggressor should
complain of loss of trade through the unwillingness of a harassed population to buy his goods
at the point of the gun, is one of the mysteries of this case which we cannot attempt to solve.
The only wonder is that in the actual conditions the Chinese people and their Government
have been able to exercise so much self-restraint and to keep the situation so well under control.
The usual comment of European observers has been that in similar circumstances other
countries would have found it impossible to protect the lives of Japanese nationals unless they
were all placed in internment camps for safety.

8. The Explanatory Note is characteristically careless and misleading in its treatment
of the events at Shanghai. The incidents which furnished the immediate pretext for the Shanghai
expedition were clearly of a petty nature. The death of a Japanese monk in a street brawl
for which the Chinese authorities were in no way to blame, the publication of an alleged offensive
article in an uncontrolled newspaper which has since been suppressed—these are things not
unlikely to happen anywhere in conditions of strained relations such as those brought about
by Japan’s acts in Manchuria. Japanese hooligans in Shanghai were themselves principally
responsible. Take the incident of January 20th:

“About fifty members of Japanese Youth Protection Society with knives and
clubs proceeded to San Yeh Towel Factory, set the building on fire and on the way home
clashed with Settlement Municipal police. Three Chinese police were seriously wounded,
one of them dying from wounds, three Japanese were shot by the police, one dying from
wounds.”

These are the words of the Shanghai Committee. Evidently Japanese lawless elements
took matters into their own hands and in broad daylight perpetrated a peculiarly serious
crime in the heart of that great commercial metropolis.

It seems to have been an organised affair conducted by members of the so-called Japanese
Youth Protection Society.

9. The invasion of Shanghai cannot be said to be in the remotest manner connected with
the necessity for guarding the International Settlement. Until the Japanese naval forces
appeared on the scene, the Settlement was not in the slightest danger. It has always been one
of the safest places in the world to live. Never before in its history has it been exposed to such
perils. Even when the Japanese forces were using the Settlement as a base, the Chinese
military authorities, at considerable military disadvantage, took scrupulous care not to take
any measures calculated to endanger life or property in that area. These facts are beyond
any dispute.
The most reliable and impartial accounts of what took place at Shanghai are, of course,
found in the reports of the Committee set up by the Secretary-General of the League. This
Committee's first report summarising the events of January 28th is conclusive on the attitude of the Japanese military and naval authorities with respect to the International Settlement:

"On January 28th, early afternoon, Mayor of Greater Shanghai transmitted to Japanese Consul reply accepting entirely Japanese demands. At 4 p.m. of the same day, Japanese Consul informed Consular body of receipt this reply which said entirely satisfactory. In spite of this change in the diplomatic situation, there was a popular belief that Japanese naval authorities were determined to take direct action at any event. Japanese, however, made no attempt to occupy extra-Settlement section when the state of emergency came into force in the Settlement in the daytime at 4 p.m.

"At 11 p.m. (that is, seven hours after the state of emergency came into force, and the British and Americans had occupied their sections seven hours before) Japanese Admiral issued two proclamations, copies of which were served on the Mayor who declared he had received them at 11.15.

"At midnight, at a given signal, all the dropping parties of Japanese marines and armed civilians (who were mobilised before midnight) at entrances to alley-ways advanced westwards and northwards in the direction of the railway—the railway is under the absolute jurisdiction of China and outside both of the Settlement and of the Extra Roads Areas of the Settlement. It should be observed that the final party of 100 marines, accompanied by armed cars, attempted to pass through gates dividing Settlement from Chinese territory at the end of Honan Road, but were prevented by Shanghai volunteer corps in whose section gate situated Japanese marines and armed civilians met with resistance on the part of Chinese regular troops in the district under absolute Chinese jurisdiction."


VI. REPORTS OF THE COMMITTEE OF ENQUIRY SET UP AT SHANGHAI UNDER ARTICLE 15, PARAGRAPH 1, OF THE COVENANT.

Note by the Secretary-General of the League of Nations.

Geneva, February 27th, 1932.

Article 15, paragraph 1, of the Covenant stipulating that the Secretary-General “will make all necessary arrangements for a full investigation and consideration”, the Secretary-General, on receiving the Chinese Government’s appeal under Article 15, requested certain Members of the Council having representatives on the spot to authorise these representatives to constitute a committee for the purpose of enquiring into the causes and developments of the situation at Shanghai and in the neighbourhood.

The Secretary-General also thought it well to address a similar request to the Government of the United States of America. While it did not feel in a position to appoint an official representative as a member of the Commission, this Government instructed its Consul-General at Shanghai to co-operate with the Committee in its work.

The Secretary-General has the honour to communicate the Committee’s reports and the notes sent to him by the Chinese and Japanese delegations in connection with these reports.

C.185.M.90.1932.VII.

I. FIRST REPORT BY THE COMMITTEE.

Drummond, Nations, Geneva.

Shanghai, February 6th (desp. 9.18 p.m.).

Committee appointed by Secretary-General of the League of Nations to report on events in Shanghai and vicinity has established, on the basis of its own information, following first report, which may require subsequent correction in detail or amplification, and will be followed by reports on subsequent events. Committee met with the co-operation of Mr. Cunningham, Consul-General United States.
Present Committee has been asked to report on causes, facts and developments of events in Shanghai and vicinity.

Anti-Japanese boycott existing since July result of Korean affair intensified by occupation of Manchuria and stringently enforced, caused enormous damage to Japanese trade. Boycott, fostered by the anti-Japanese Boycott Association formed by various Chinese commercial organisations, included picketing shops, seizure Japanese goods and other illegal acts for which no redress obtainable through courts. Spirit of bitter hostility was subsequently developed against Chinese. Student manifestations and demands for war declaration against Japan increased Chinese feeling against Japan. In this state of acute tension, incidents of violence frequently occurred. There were in addition derogatory references by Chinese to the Emperor of Japan which infuriated Japanese, and demands by Japanese to their Government to take direct action to put an end to intolerable position became insistent.

January 18th, five Japanese, some of them being Buddhist monks, whilst passing in front of San Yeh Towel Factory in Chapei were attacked by Chinese, some of assailants being probably members of recently organised anti-Japanese Volunteer Corps. Chinese police arrived too late to arrest culprits. Two Japanese seriously wounded, one of them, Buddhist monk, dying subsequently from wounds.

On January 20th, about 50 members of Japanese Youth Protection Society with knives and clubs, proceeded to San Yeh Towel Factory, set building on fire and on the way home clashed with Settlement Municipal Police. Three Chinese police seriously wounded, one of them dying subsequently, three Japanese shot by police, one dying subsequently.

Same day, mass meeting Japanese residents held at Japanese Club protest against attacks against monks and against disparaging references by the Press to the Japanese Emperor. Meeting passed a resolution asking Japanese Government send vessels and military units for complete suppression anti-Japanese movement. About half of them proceeded first to Japanese Consul-General then to the naval headquarters in order to present resolution. After seeing Japanese Consul-General who asked them leave matter in his hands clashed with International Settlement police on the way to naval headquarters. One British probationary sergeant wounded. Japanese authorities expressed regret. Seven Japanese subsequently surrendered to the Japanese authorities and were arrested by them to be tried for the offences in Nagasaki in accordance with Japanese law.

Afternoon of the same day, Japanese Consul-General presented the Chief Secretary of the Mayor of Greater Shanghai following demands concerning events occurring January 19th:

First, formal apology by Mayor;
Second, immediate arrest culpable;
Third, payment solatium hospital bills;
Fourth, adequate control of anti-Japanese movement;
Fifth, immediate dissolution all anti-Japanese organisations engaged in fostering hostile feelings and anti-Japanese riots and agitation.

During the morning of January 21st, the Mayor of Greater Shanghai communicated to the Japanese Consul-General readiness to consider first three points but had difficulty in complying with last two. Later during the day, communiqué from Admiral commanding Japanese naval forces published in the Press, copies being sent to Settlement authorities, Public Safety Bureau Greater Shanghai, stating that, should the Mayor of Greater Shanghai fail to give satisfactory reply to Japanese and fulfil demands without delay, Admiral was determined take necessary steps in order to protect Japanese Imperial rights interests.

On January 24th, Japanese naval reinforcements arrived off Shanghai. Rumour also current Chinese troops in Chapei were being reinforced. Same day Japanese Consul-General communicated to Mayor Greater Shanghai that if no reply was forthcoming within reasonable time or if reply unsatisfactory Japanese Government reserved right to take action as required by circumstances. Meanwhile Mayor, who had expressed to neutrals his intention making every possible concession to avoid a clash, was trying to induce leaders of local Chinese community to stop anti-Japanese boycott association and agree to delete words “anti-Japanese” from the title other bodies, these words being considered by Japanese as national offence. As a result association was closed and various offices were sealed by Chinese police during the night January 27th-28th.
On January 25th, Japanese Consul-General notified Mayor of Greater Shanghai that, without fixing definite date, he would expect preliminary reply by January 28th.

January 27th, Japanese Consul-General informed Mayor that he must have satisfactory reply to demands by 6 p.m. next day, failing which Japanese would take necessary steps in order to enforce them.

January 28th, 7.30 a.m., Japanese Admiral notified Commanders other national defence forces he proposed to take action following morning if no satisfactory reply been received from Chinese. Municipal Council of International Settlement held meeting during the morning and decided that state of emergency should be declared as from 4 p.m. This decision was taken by the Municipal Council on their responsibility. Declaration of state of emergency is in effect notice to commanders of various national forces that they are expected to be prepared to defend their sectors.

Same day, early afternoon, Mayor of Greater Shanghai transmitted to Japanese Consul-General reply accepting entirely Japanese demands. At 4 p.m., Japanese Consul-General informed consular body of receipt this reply which he said was entirely satisfactory. He observed that it remained to be seen whether mayor would be able to enforce terms accepted but he added that demands had been carried out to a large extent and, for the time being, no action would be taken.

In spite of this change in the diplomatic situation, there was a popular belief that the Japanese naval authorities were determined to take action in any event. Inflammatory statements were appearing Japanese Press Union Bulletin to the effect that Chinese did not intend to carry out their promises and that they were preparing to attack Japanese. It was also anticipated that there might be a revolt amongst Chinese population against acceptance by the mayor of the Japanese demands. These considerations made it advisable in the eyes of the Defence Committee that the state of emergency should be nevertheless enforced as from 4 p.m.

It is to be noted that the International Settlement Defence Committee composed of garrison commanders, Chairman Shanghai Municipal Council Commissioner, Shanghai Municipal Police and Commandant Shanghai Volunteer Corps, and presided by the senior garrison commander, is not considered entitled to give orders to the various commanders as to detailed measures they are expected to take in defending their sectors. It simply allot sectors, helps in co-ordinating action taken by various commanders, and fixes main principles defence.

British and American troops started to occupy their respective sectors soon after declaration state of emergency. Italian troops occupied their sector January 29th.

Japanese sector consisted of whole north-eastern area of the Settlement, limited on the western side by North Honan Road. Comprised also, from the point of view Shanghai Defence Committee area outside Settlement limited on the west by North Kiangse Road and Woosung Railway, on the north by the northern border of Hongkew Park, on the east by a line joining roughly north-east corner of Hongkew Park and Harbin Road Police Station.

Many Japanese live in the region of Hongkew Park. The park itself and North Szechuen Road, Dixwell Road, although outside Settlement are properties Shanghai Municipal Council and normally policed by it. Does not appear that the Chinese authorities previous to events starting at 11 p.m. had received any communication about this outside Japanese sector. Japanese made no attempt to occupy extra-Settlement sector when state of emergency came into force, but it must be understood that Japanese marines have always (that is to say, since the events in 1927) maintained posts along above-mentioned municipal road in this area for the protection of their nationals and their naval headquarters are situated towards the end of this salient.

11 p.m., Japanese admiral issued two proclamations, copies of which were served on the mayor, who declared he had received them at 11.25 p.m. One of these referred to state of emergency and said Imperial Navy, feeling very anxious regarding situation in Chapei, where Japanese nationals lived in large numbers, decided to send troops to this section for the enforcement of law and order in the area. Under the circumstances, he hoped Chinese authorities would speedily withdraw Chinese troops stationed at Chapei to the west of railway and remove all hostile defences in that area. Other proclamation stated that in the area given to Japanese in order to preserve order in the Settlement any action considered necessary for the proper execution of duties involved in state of emergency would be taken.

Japanese marines and armed civilians having mobilised at Naval Landing Force Headquarters, advanced along North Szechuen Road, and westwards along Range Road as far as North Honan Road, dropping parties at entrances to alley-ways as they went along, and, at midnight, at a given signal, all these parties advanced westwards and northwards in the direction of railway. The final party of about 100 marines, accompanied by armoured car, attempted to pass through gate dividing Settlement from Chinese territory at the end of Honan Road.