

CHAPTER V

JAPAN IN MANCHURIA

Among Japanese commercial magnates, military leaders, and statesmen one question, or series of interrelated questions, in foreign policy is so predominantly uppermost that neither energy nor desire is left for adventuring in other fields. That all-important question is not Japanese-American relations, which are considered good and likely to become better, unless the United States chooses to force a rupture. It is not annexation of the Philippines, widely regarded as a bugaboo conjured up by Americans in Manila, perhaps because it helps to conceal the real issues in our colonial problem there. Nor is it military aggression in China proper, abandoned with the dawning realization that China can be a dangerous enemy now, while, in the future, she may be very valuable as a friend. The really absorbing issue in Japanese foreign policy at present is the steady progress of economic penetration in Manchuria, with which is bound up the question of whether trouble with Soviet Russia can be satisfactorily averted.

The ceaseless maneuvering for position in China on the part of both Japan and Russia is a phenomenon which one meets in every section of the unwieldy and chaotic republic. Each of the two stable nations is playing a lone hand there, Russia obviously so, Japan at bottom no less individualistic since the termination of the Anglo-Japanese alliance and the passage of our Immigration Act combined to teach her statesmen that

white societies do not wish to count her as an active partner. Nowhere is the rivalry between the most radical and the most conservative of modern governments so pronounced as in Manchuria—that vast territory of enormous potential wealth where Japan has invested over a billion dollars in the property of the South Manchurian Railway Company alone, and where Soviet Russia is holding the control of the Czarist-built Chinese Eastern Railway with a tenacity strangely out of accord with her diatribes against imperialism as practiced by others. No study, however slight, of Oriental problems can fail to take into account the clash of interests between Japan and Russia in Manchuria, for it is in that territory, and nowhere else, that Nippon plans to round out her natural deficiencies so that she may remain the great commercial power she has become.

To understand the situation, one must glance briefly at the history of the Chinese Eastern Railway, a constant source of irritation in the Far East since its inception in 1896. At that time Russia, with the support of Germany and France, had forced Japan to renounce possession of the Liaotung Peninsula, ceded to her by China after the Sino-Japanese war of 1894. Russian plans for the seizure of that peninsula herself, which took place in 1898, were well under way, and the Trans-Siberian Railway had been under construction for five years. A glance at the map on page 41 will show how construction of the Chinese Eastern Railway due south-east from Chita to Vladivostok not merely shortened the circuitous frontier route of the Trans-Siberian by 570 miles, but also tapped for the benefit of Russia's chief Pacific port the untouched resources of North Manchuria and furthered the Russian policy of political expansion in this part of China.

The concession granted by the Chinese government of the time was typical of those extorted by European na-

tions from the decadent Manchu dynasty at Peking. Founded as a Russian joint stock company, the Chinese Eastern Railway was given power to acquire land which the Czarist government deemed necessary for the "construction, operation, and protection of the line," which sweeping preliminary was followed by clauses granting the company "the absolute and exclusive right of administration of these lands," and the right to erect buildings and construct telegraph lines. Russian officials, technicians, and laborers swarmed in and settled throughout the railway zone to an extent which made it virtually a Russian colony, despite the provision that eighty years after the completion of the road it should revert to China without payment. The tendency toward covert annexation was strengthened when after the Boxer rebellion Russian regiments, sent on the pretext of guarding the Chinese Eastern Railway, remained, not merely in the concession zone, but throughout all of the three Manchurian provinces. The failure of Russia to withdraw these troops and restore Chinese authority in Manchuria, coupled with St. Petersburg's obvious policy of economic and political encroachment in Korea, was the main cause of the Russo-Japanese war of 1904-1905.

Contrary to popular impression, this war was by no means the sweeping victory for Japan that has been pictured. The Japanese delegates to the Portsmouth peace conference faced the Russians not as dictators, but as negotiators fully conscious that continuation of hostilities might see the tide of battle turn against them. For that reason there could be no chance of expelling Russia from Manchuria. The Russian rights in the Liaotung Peninsula were transferred to Japan, as was the South Manchurian branch of the Chinese Eastern Railway, running from Changchun to Port Arthur, with its connections, China consenting in a special treaty with Japan. The main line of the Chinese Eastern Railway remained Rus-

sian, as did the section from Harbin to Changchun. Russian influence in North Manchuria remained as strong as ever, strengthened, if anything, by concentration, and the net result was the division of the Three Eastern Provinces, as Manchuria is known in China, into two spheres of foreign influence instead of one.

Germany, with a strong foothold in Shantung; France, expanding her influence from Indo-China into Yunnan; Great Britain, owning Hongkong, leasing Weihaiwei, dominating the Yangtze Valley from Shanghai, and anxious to keep Russia from protesting her aggression in Tibet—these three nations readily concurred in the new arrangement in Manchuria. The United States, alone interested in preserving the territorial and administrative integrity of China, was the only great power to view the partitioning of Manchuria with distrust.

A test of sincere interest in the preservation of Chinese sovereignty was put up to the other powers when Secretary of State Knox, in November, 1909, proposed redemption of the Manchurian railroads by means of an international loan to China, administration of the lines to be handled by a joint international commission during the period of the loan. Both Russia and Japan registered strong opposition to the plan, while Great Britain and France were careful to refrain from indorsing a proposal so at variance with their own policies in China. In consequence, the division of Manchuria remained a *fait accompli*, with Russia in the north and Japan in the south steadily solidifying the political and economic power given them by the untrammelled railroad concessions. Manchuria is a huge, underpopulated, and undeveloped country. Its area of 363,700 square miles is approximately as great as the combined areas of the states of New York, Pennsylvania, Maryland, New Jersey, Ohio, Virginia, West Virginia, North Carolina, South Carolina, and Georgia. Its population, by the most gen-

erous estimate, is not greater than that of the three states first named above.¹ Both Japan and Russia could work in their separate zones for years without coming into rivalry.

The World War, however, brought new factors into play. It greatly strengthened Japan's position in the Far East, while all of Russia's attention and energies were absorbed in Europe, so much so that in 1916 the Czarist government consented to sell a small section of the Chinese Eastern Railway's southern branch to Japan. The next year came the Bolshevik revolution. While the Chinese Eastern Railway remained in the hands of its Russian administration, strongly anti-Soviet in character, it was helpless without the subsidies which the Czarist Treasury had been granting.

During the international Siberian expedition already discussed (in Chapter I), the Chinese Eastern Railway, as part of the Trans-Siberian system, was operated by an Interallied Technical Board under the presidency of John F. Stevens, the well-known American railway engineer. Of the money advanced during the international trusteeship of the line, which continued until October 31, 1922, about \$5,000,000 came from the United States. In spite of the fact that only a trivial proportion of our population has ever heard of the Chinese Eastern Railway, we were becoming more deeply implicated therein than any foreign nation other than Russia and Japan. On the date of our retirement from a share in management, Washington formally announced its interest "in the efficient operation of the railway and its maintenance as a free avenue of commerce open to the citizens of all countries without favor or discrimination." Except that

¹ *The Chinese Economic Monthly* for January, 1926, estimates the total population of Manchuria at "less than fifteen million," or about forty persons per square mile. The Japanese estimates are 50 per cent higher.

our attitude was more assertive than, the American policy towards the Chinese Eastern Railway had not changed at all since the unwelcomed "open door" proposal made by Secretary Knox thirteen years earlier.

Neither, it has developed recently, has there been any fundamental alteration in the Russian attitude toward the Chinese Eastern Railway, in spite of the sounding fury of Soviet opposition to imperialism as practiced by capitalistic nations. On May 31, 1924, the Peking government, having recognized the Union of Soviet Socialist Republics, signed with it an agreement for joint control of the Chinese Eastern Railway, pending its presumable ultimate redemption by China. Of the ten members of the Board of Directors five, including the president, are Chinese and five Russian. The vital office of general manager is held by a Soviet government appointee and about 25,000 of the railroad's employees, being substantially over half, are Russians, the majority of them tested communists. That these Russian railroad workers are in Manchuria for other purposes than the mere operation of the Chinese Eastern Railway is attested, to cite only one bit of evidence, by a speech made by Leon Trotsky in Moscow on January 29, 1926. Herein, as quoted by the *Tass* (Official Soviet) *News Agency*, he observed that "the Russian workers on the Chinese Eastern Railway are, as it were, the permanent representatives, the junior diplomats of the Soviet Union in the very heart of Manchuria."

Russian Soviet spokesmen have frequently accused Japan of seeking to detach Manchuria from control by the Peking government. Yet, four months after signature of the Chinese Eastern Railway agreement between Moscow and Peking, the Russians, on September 20, 1924, concluded a separate treaty with Chang Tso-lin, war lord of Manchuria, at that time in open rebellion against the Chinese central government. By its implied

recognition of Manchurian independence, the Soviet government in this second Chinese Eastern Railway agreement made a diplomatic *faux pas* almost as serious as the notorious Japanese "Twenty-one Demands." Since that time Chinese suspicion of Russia's protestations of friendship has been on the increase. In essentials, the Russian treaties with Peking and Mukden relative to the Chinese Eastern Railway are identical, though the latter sets a date for the ceding of the road to Chinese ownership, making the concession period sixty years instead of the eighty years stipulated in the original Czarist agreement.

It is natural that Japanese statesmen should be somewhat irritated and disturbed by the turn events have taken in Manchuria since the rapid recuperation of Soviet Russia. Instead of having the virtually clear field in Manchuria which seemed probable for some years after the Bolshevik revolution, Japan now finds the new Russia about as firmly established there as was the old, with the difference that Russian leaders no longer play the game of diplomacy according to accepted rules, and have many more influential friends among the Chinese than their Czarist predecessors had. With more and more capital going from Japan into Manchuria, the situation there is one of tension; and this tension is being brought to the point of strain by the important Japanese railroad developments steadily working up into the Russian sphere of influence and threatening both the strategic and the economic importance of the Chinese Eastern Railway.

The most important of the Japanese-controlled feeders to the South Manchurian Railway is that from Taonan to Tsitsihar, which is now nearing completion and will probably be open for regular traffic as far as Anganchi on the Chinese Eastern main line before the close of 1926. The map on page 41 indicates how this

line, connecting with that already in operation from Taonan to Szepingkai, will tend to develop districts along the Chinese Eastern Railway and drain to the Japanese port of Dairen products which heretofore have found haphazard outlet through the Russian port of Vladivostok. Before the section from Taonan to Anganchi was more than half completed, Mr. Fujine, a high official of the South Manchurian Railway, reported that 100,000 tons of agricultural products had been shipped southward over it, though not a house was visible from the line when the preliminary surveys were made. Soviet officials are openly anxious over this encroachment in a territory long considered a Russian preserve, and are doing what little they can to delay completion of the line. For instance, as Tsitsihar, capital of Heilungkiang Province, lies to the north of the Chinese Eastern Railway main line, the Japanese engineers will be forced to carry their road across the Russian line by viaduct, after first making a detour to avoid the Central Eastern Railway land concession around Anganchi station.

Another railroad development of significance to Russo-Japanese rivalry in Manchuria is that which will extend the present Chinese line from Changchun to Kirin by carrying it on to Tunghwa. Although planned by Japanese interests as far back as 1909, the scheme languished until the South Manchurian Railway in 1925 agreed to construct the line as contractor for the Chinese government, an arrangement similar to that in operation on the Taonan-Tsitsihar railroad. This contract was repudiated in the autumn of 1925, when Marshal Chang Tso-lin's influence was temporarily withdrawn from the Peking government, and that of Russia increased there; but later its legality was established. The contract calls for completion of the 130-mile extension in two years, which is regarded as optimistic in view of the mountains and forests across the route.

Rich arable lands and mineral deposits, at present undeveloped, will be tapped. There is little doubt that this line eventually will link up with the Korean government railways at Kanai, thus bringing another big slice of Manchuria into the Japanese economic orbit and further threatening the commercial value of Vladivostok. This city has now been made a free port by the Soviet government as a part of the effort to combat Japanese commercial penetration.

One of the lesser handicaps of the Russian-managed Chinese Eastern Railway in rivaling these Japanese-sponsored developments is its five-foot gauge. From Harbin, center of Russian influence in Manchuria, north to Hailun has now been started a standard-gauge line which in time should reach the Siberian frontier at Aigun, across the Amur River from Blagovieschensk, on a Trans-Siberian branch line. This connection between the Chinese Eastern and Trans-Siberian railroads would have been put through by the Soviet government had funds been available. Construction now is being financed by the provincial government of Heilungkiang (one of the three Manchurian provinces) and is under the direction of M. Ostroumoff, former engineer-in-chief of the Chinese Eastern Railway, who was imprisoned by the Soviet authorities when they assumed charge at Harbin in October, 1924. Here is a third link in the chain of anti-Soviet railroad engineering which is being spread throughout the Chinese Eastern Railway zone. Without considering other Manchurian railroad schemes of a nebulous character, such as a line from Hailun to Tsitsihar, and another from Taonan to Jehol, it is obvious from the map that the tacit Sino-Japanese alliance in development of this type is tending completely to undermine Russia's heretofore privileged position in the north of this economically and politically important territory.

Nor, as authoritative Japanese spokesmen are glad to point out when anonymity is preserved, is Moscow in any way able to check this highly significant trend. All of the new railroad lines are being built on Chinese soil at Chinese request, and to oppose them, whether on grounds of strategic or economic interest, is tantamount to a public admission that a reflection of Czarist imperialism lurks behind the Russian claim of being China's most devoted friend. It cannot be said that the railroad extensions described threaten the strategic value of the Chinese Eastern Railway without a plain implication that Russia's interest in this road is purely selfish. And Soviet officials cannot openly object to the diversion of traffic from Vladivostok to Yellow Sea ports since this diversion is obviously in the interest of Chinese as well as Japanese prosperity.

To what extent Japan, in her successful effort to undermine Soviet Russia in Manchuria, is further encroaching upon Chinese sovereignty is a topic requiring realistic consideration of the Chinese situation as preliminary. The answer really depends on whether one views Chinese sovereignty as something real, or as a phrase which may be considered meaningless in view of actual conditions in that country. There is no doubt that there are many influential Japanese, both military and commercial types, who would like to see their country take political steps in conformity with the enormous economic investment of Japan's nationals in Manchuria; but there is equally little doubt that the present-day statesmen of Japan above everything are anxious to avoid any action which might contribute to the fostering of anti-Japanese sentiment in China. The termination of the Anglo-Japanese alliance, the passage of the American Exclusion Act, the rise of Soviet Russia, and the domestic problems already touched upon have all contributed to give a new orientation to Japanese

foreign policy. The winning of the friendship and confidence of China—as a neighbor, as a people of kindred race, as a source of raw materials, as a vast potential market for Japanese products, as the country which has influenced Japan spiritually more than any other—from every angle seems vital in Tokyo now. The *Gaimusho*, or Foreign Office, is doing its utmost to see that Japan and China draw together rather than apart.

In Manchuria, it must be remembered, Japan is playing for a tremendous stake—the solution of all her pressing economic problems. The agricultural potentialities of the country are enormous, the 100,000,000 acres now under cultivation in beans, kaoliang, millet, corn, wheat, barley, rice, oats, and tobacco giving only an indication. Animal husbandry of every type, from chickens to camels, is well developed. There are millions of acres of virgin forest containing practically every type of tree known to the temperate zone. Manchuria is very rich in mineral deposits; gold, iron, and coal being most abundant, while silver, sulphur, gypsum, asbestos, and sodium salts are all found in considerable quantities. The Fushun coal mines, one of the numerous industrial enterprises operated for Japan by the South Manchurian Railway, are alone estimated to have deposits of over 1,000,000,000 tons of rich bituminous coal of which over 10,000 tons are now being taken out daily. As for foreign trade, an idea of the rapid development under Japanese exploitation can be obtained by taking the import and export figures for 1908 and 1924 at Dairen, through which Japanese-leased port now passes two-thirds of Manchuria's external trade. The value, in United States currency, is as follows:

	1908	1924
Imports	\$13,585,354	\$62,499,706
Exports	8,315,728	98,767,098

No less than 20 per cent of the total foreign trade of China is concentrated in Manchuria, which has about 4 per cent of China's total population; and Japanese ships today provide twice as much of the tonnage carrying this trade as do the ships of all other nations combined.

In this connection the phraseology of the famous Lansing-Ishii note of November, 1917, will come to mind. Our State Department then stated, and there were many recriminations afterwards because of it, that:

The governments of the United States and Japan recognize that territorial propinquity creates special relations between countries, and consequently the Government of the United States recognizes that Japan has special interests in China, particularly in the part to which her possessions are contiguous.

Whether or not we hold today that special interests in Manchuria must not be interpreted by Japan as "paramount interests," the fact remains that Japanese penetration there goes on apace. In the first nine months of 1925, the Japanese civil population there increased by over 5,000, from 179,484 to 184,528,¹ the figure being exclusive of nearly 100,000 who reside in Kwantung leased territory on Liaotung Peninsula. The total population of Japan proper on October 1, 1925, was 59,736,822, representing an annual increase of about 750,000 since 1920. One per cent of this increase is now emigrating to Manchuria, counting Kwantung as a part thereof. It is the only foreign territory where this circumscribed people can accomplish essential expansion without immediate trouble.

Whether or not the expansion can continue without arousing an acute Chinese or Russian hostility remains

¹The total number of Japanese residing abroad on October 1, 1925, was estimated by the Tokyo Foreign Office at 620,000, of whom nearly one-third are therefore residents of Manchuria. The Japanese population of China proper on the same date was put at 47,612.

to be seen. But in either or both cases it may be asserted, without assuming the dangerous prophetic rôle, that Japan, whatever the political arrangement, is in Manchuria to stay.