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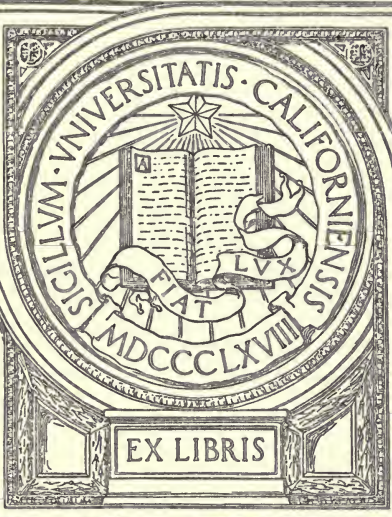


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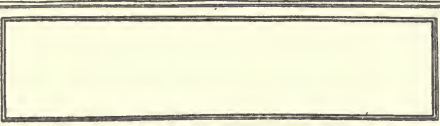


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Japan and China

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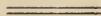
JAPAN AND CHINA

A STUDY OF THE RECENT PROBLEMS
BETWEEN JAPAN AND CHINA

BY

THE SECRETARY OF THE EASTASIAN

[Y. F. Lee]



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OUTLINES

- A. Japanese influence in China concerns the world.
- B. The justifications of the Japanese aggression upon China as the imperialistic Japanese see them.
- C. Japan's opportunity to carry out her aggressive program in China.
- D. Means and Ways; Influence and Results:
 - 1. Diplomacy backed by military force.
 - 2. Civil wars and party struggles in China.
 - 3. Finance.
 - 4. Trade and Industry.
 - 5. The control of military forces and arsenals.
 - 6. Emigration.
- E. Why not let Japan annex Manchuria?
- F. The Ishii-Lansing Agreement.
- G. Open Door Policy and the "Monroe Doctrine of Asia."
- H. China must be left to develop herself.

JAPAN AND CHINA

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A. JAPANESE INFLUENCE IN CHINA CONCERNS THE WORLD.

Since the beginning of the world war, the Japanese influence in China has spread to such an extent, that to watch its movement and progress requires practically every minute of a student of the problems in the Far East. China, so large a nation and so rich in natural resources, yet so weak, is situated right next to Japan, an aggressive country, a land of hunger. While the European nations are so busy with themselves at home, Japan, with this unequalled opportunity, can do anything toward China that she pleases, but the problems concerning Japan and China concern the world. Both officially and unofficially, secretly and publicly, her influence in China is pushing on its way. After this war the European powers will once more turn attention to their interests in China. They will either follow the aggressive steps of Japan or see to it that the movements of Japan in China shall be right and just. The situation in the Far East will be as important as that elsewhere. This article attempts to give a little knowledge of most of the recent Japanese movements in China.

B. THE JUSTIFICATIONS OF JAPANESE AGGRESSION IN CHINA AS THE IMPERIALISTIC JAPANESE SEE THEM:

"I am proposing, as it were, that the nations should with one accord adopt the doctrine of President Monroe as the doctrine of the world. That no nation should seek to extend its policy over any other nation or people, but that every people should be left free to determine its own policy, its own way of development, unhindered, unthreatened, unafraid, the little along with the great and powerful." This was a noble address which President Wilson delivered to the Senate on January 22, 1917.

Mr. K. K. Kawakami, the famous Japanese writer in this country, thinks that as regards overcrowded nations this idea is not justified.¹ Japan is such a small nation in size, but so overpopulated, that she is bound to expand and to seek colonies. Darwin's theory of the "Struggle for Existence" is in the mind of every Japanese leader.

"Many virtuous Japanese recoil with horror from the cry of territorial expansion. Territorial expansion or aggrandizement is simply the external development of an organized state. A nation professing and car-

rying out a policy of territorial expansion is a nation of great possibilities. A nation afraid of such a policy is one already on the down-hill. The cry for acquisition of fresh territory, which was heard everywhere in Germany, was a proof of German Greatness." This statement is quoted from one of the most prominent Japanese weeklies by Collier.²

The population³ of Japan in 1917 was 52,986,423. Twelve millions are in cities while the rest are in villages and towns. Without her colonies Japan has 148,756 square miles of land, only 25,000 of which are under cultivation. There are 5,500,000 families in farming, each of which has an average of from two to three acres. This shows that only one-sixth of the land in Japan can be cultivated; she has to have more land.

The problem of overpopulation in Japan is a hard problem for her government to solve. Yet she still wants more people. She expects to have 100,000,000 in the next forty years, which will not include the population in her colonies. This means more colonies for them to live in. This war has shown that if Japan ever goes to war with other powers, she needs to have more men under arms. She has tried hard to Japanize the Koreans and to seek control over the Chinese military forces so as to answer the question of man power in time of war.

More wealth is what Japan has been asking for. She has been a poor nation, a nation greatly in debt to other powers. Heavy taxes have been levied on her people. So she must look for wealth. China is rich in resources. She, with such a great population, is open to exploitation. She is so close to Japan that it is very natural for Japan to seek in her a stronghold both in commerce and industry.

A modern nation must live on coal, iron or steel. This is another problem that Japan must face. Shipbuilding and manufacturing of arms and other articles in Japan have used up more steel and coal than she can produce. The total domestic production⁴ of iron and steel in Japan in 1916 was 490,000 tons; imports of pig iron amounted to 237,000 tons, and steel 550,000 tons. Of course Korea furnishes 100,000 tons per year, but that cannot help the situation very much. The following figures given by Mr. H. Yoshikama, assistant Professor in Tokyo University, are the estimated consumption of Pig iron and Steel in Japan:

Year	Pig Iron, tons	Steel, tons
1918	360,900	1,113,000
1920	430,000	1,295,000
1923	533,000	1,668,000
1925	617,000	1,786,000
1928	744,000	2,112,000

Japan must look elsewhere for coal and iron and steel. On the other hand China is rich in coal and iron. What can stand in the way between this hungry tiger and the fat lamb?

China is weak, the world knows it, and Japan knows it too well. She has no close ally and no force. She can be annexed at any moment if the other world powers will agree. After the Chino-Japanese War of 1894-5 European Powers began their aggressive policy in China. So the Japanese leaders think that Japan must have a share in the spoils of China. This is another of her excuses in being unjust to China.

Many people think that the Near East started this world war, but after this war the European nations will turn their eyes to China. As Mr. K. K. Kawakami says, "Whichever side may win the war, I cannot but apprehend that China will be the next field of rivalry among the European Powers."⁵ Political leaders in Japan have called for annexation of "A piece of China sufficient to provide resources needed in any war with the Western Nations."⁶ To annex or dominate China is a policy of Japan so as to be able to fight against the Western nations or to maintain peace in the Far East.

In dealing with China, Japan is divided into two parties. One is the continental party, which comprises mostly military leaders. This party wants to annex Manchuria, East Inner Mongolia, Shantung Province and Fukien Province as soon as possible. Opposed to this party is a party of financiers, who think that to dominate China is not necessary to employ military force. If Japan, through friendship, can control the commerce, industry and finance of China, then China is a Japanese China. But at any rate both parties have no mercy on China. "A united, awakened, organized, efficient China is a menace to the very existence of Japan. As far as the Far East is concerned, Japan can live with a reasonably sound assurance of her future security under one of the two following conditions:

(A.) "Eternal continuation of weak and divided China.

(B.) "Building up the position and resources of Japan to the point where she will be able to stand and cope with an awakened, modernized, efficiently administered China."⁷ In view of recent and present movements of Japan and China, doubtless Japan is trying to keep China weak and divided. At the same time she is building up herself to meet the future China.

C. JAPAN'S OPPORTUNITY TO CARRY OUT HER AGGRESSIVE PROGRAM IN CHINA.

Japan can never forget how she was blocked by Russia, Germany and France in trying to secure Leao-Tung Peninsula from China after the Chino-Japanese war of 1894-5. This would suggest that when the European nations are at peace, Japan can never have a free hand in China. One can readily see what a great opportunity this war has given to Japan.

She is an ally of England. The interest of England and of the Entente in the Far East is under the protection of Japan. If Japan were to join the Teutons, what a tremendous blow it would be to the Entente. So the Entente must not interfere with but accept what Japan wants to do in China. She has put herself in the place of Germany in China. She even invades the sphere of influence of her ally in Central China.

The longer this war will last the better opportunity Japan will have in strengthening her position and influence in China.

Now Japan is on the side of the Entente, but is Japan fighting for world democracy? Mr. T. Iyenozo says that Japan is not fighting for such a high ideal. She is fighting for the interest of herself.⁸ She loans money to the Allies with high interest. She helps Russia with ammunition as a matter of business. She lends ships to the United States in exchange for steel. About 300 Japanese soldiers were killed in Tsingtao, but in return she gets all German interests in Shangtung. Japan is the only nation that gains in this war.

Since establishment of the Chinese Republic, China has been in the midst of civil wars. Parties fight against parties. This is a good chance for Japan to keep "the eternal continuation of weak and divided China." She often plays one party against the other, which I will show elsewhere in this article.

D. MEANS AND WAYS; INFLUENCES AND RESULTS.

1. DIPLOMACY BACKED BY MILITARY FORCE:

It is not easy to write about treaties, both known and secret, between Japan and China. Most of us are ignorant of their secret treaties. Those which are known were made before this world war and are not very significant at the present day. Since the beginning of the European War, Japanese demands on China have been heard quite often. The famous "21 demands" are well known to us.

"To begin with, there was no particular justification for the making of demands. China had done nothing against Japan; there had been no war and there was no particular contention between the two countries," says S. K. Hornbeck. Japan was ashamed of this matter, so she declared to the world that only eleven demands had been made.⁹

The following is the document handed to President Yuan Shih-Kai by Mr. Hioki on January 18, 1915:¹⁰

Section I.

The Japanese government and the Chinese government, being desirous of maintaining the general peace of eastern Asia and further strengthening the friendly relations and good neighborhood existing between the two nations, agree to the following articles:

Article 1. The Chinese government engages to give full assent to all matters upon which the Japanese government may hereafter agree with the German government relating to the disposition of all rights, interests, and concessions which, by virtue of treaties or otherwise, Germany now possesses in relation to province of Shantung.

Article 2. The Chinese government engages that within the province of Shantung and along its coast no territory or island will be ceded or leased to a third power under any pretext whatever.

Article 3. The Chinese government consents to Japan's building a railway from Cefoo or Lungkow to join the Kiau-Chau-Tsinan railway.

Article 4. The Chinese government engages, in the interest of trade and for the residence of foreigners, to open by itself, as soon as possible, certain important cities and towns in the province of Shantung as commercial ports. What places are to be opened are to be decided upon by the two governments by separate agreement.

Section II.

The Japanese government and the Chinese government, since the Chinese government has always recognized the special position enjoyed by Japan in south Manchuria and eastern inner Mongolia, agree to the following articles:

Article 1. The two contracting parties mutually agree that the term of lease of Port Arthur and Dalny, and the term of lease of the South Manchurian railway and the Antung-Mukden railway, shall be extended to the period of ninety-nine years.

Article 2. Japanese officials and common people in south Manchuria and eastern inner Mongolia shall have the right to lease or own land required either for erecting suitable buildings for trade and manufacture or for farming.

Article 3. Japanese officials and common people shall be free to reside and travel in south Manchuria and eastern inner Mongolia, and to engage in business and in manufacture of any kind whatsoever.

Article 4. The Chinese government agrees to grant to Japanese officials and common people the mining rights of all mines in south Manchuria and eastern inner Mongolia. What mines are to be opened shall be decided upon by the two governments jointly.

Article 5. The Chinese government agrees that in respect of the two cases mentioned herein below the consent of the Japanese government shall first be obtained before action shall be taken:

(a) Whenever permission is granted to a subject of a third power to build a railway or to make a loan with a third power for the purpose of building a railway in south Manchuria or eastern inner Mongolia.

(b) Whenever a loan is to be made with a third power pledging the local taxes of south Manchuria or eastern inner Mongolia as security.

Article 6. The Chinese government agrees that if the Chinese government employs political, financial, or military advisers or instructors in south Manchuria or eastern inner Mongolia the Japanese government shall first be consulted.

Article 7. The Chinese government agrees that the control and management of the Kirin-Chang-chun railway shall be handed over to the Japanese government for a term of ninety-nine years, dating from the signing of this agreement.

Section III.

The Japanese government and the Chinese government, seeing that Japanese

financiers and the Hanyehping company have close relations with each other at present, and desiring that the common interests of the two shall be advanced, agree to the following articles:

Article 1. The two contracting parties mutually agree that when the opportune moment arrives the Hanyehping company shall be made a joint concern of the two nations, and they further agree that without the previous consent of Japan, China shall not by her own act dispose of the rights and property, of whatever nature, of the said company to dispose freely of the same.

Article 2. The Chinese government agrees that all mines in the neighborhood of those owned by the Hanyehping company shall not be permitted, without the consent of the said company, to be worked by other persons outside of the said company, and further agrees that if it is desired to carry out any undertaking which, it is apprehended, may directly or indirectly affect the interests of the said company, the consent of said company shall first be obtained.

Section IV.

The Japanese government and the Chinese government, with the object of effectively preserving the territorial integrity of China, agree to the following articles:

The Chinese government engages not to cede or lease to a third power any harbor, bay, or island along the coast of China.

Section V.

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

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

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

Article 4. China shall purchase from Japan a fixed amount of munitions of war, say 50 per cent. or more of what is needed by the Chinese government, or there shall be established in China a Sino-Japanese jointly worked arsenal. Japanese technical experts are to be employed and Japanese material to be purchased.

Article 5. China agrees to grant to Japan the right of constructing a railway connecting Wuchang with Kiukiang and Nanchang, another line between Nanchang and Hangchou, and another between Nanchang and Chao-chou.

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

Article 7. China agrees that Japanese subjects shall have the right to propagate religious doctrines in China.

These demands concern Japanese rights in Manchuria and East Inner Mongolia, Shantung Province and Fukien Province. They seek to control the munition and military forces of China. They ask for the in-

dustrial interest in Central China. They demand a further control of the Chinese sea coast. "In reality those 21 demands, in terms meant the positive subjection of China by Japan," says Samuel G. Blythe. So unjust were the Japanese demands that China did not yield until an ultimatum was sent to her by Japan and she was threatened by a Japanese invasion. If Japan were to make such demands from the United States, they would have made every American crazy. But China gave way. She appealed to the justice of the world. Although the "Group V" was postponed when the ultimatum was sent, Japan took it up again not long after.

Furthermore, part of this "Group V" was demanded immediately. That is, the Chinese government was asked to employ influential Japanese as advisers in political, financial and military affairs. The political and financial advisers are already there. Whether Japan forced China to accept them or not, we do not know, but in regard to General Aoki, the military adviser, Mr. S. G. Blythe says this, "General Aoki, one of Japan's great soldiers, working as a colonel . . . the Chinese did not want Aoki. They understood the motives of Japan in insisting that China should accept Aoki. The Chinese protested as well as they could, but Aoki is there, and he is the military adviser of the Chinese, forced upon China by Japan; and that fact is of significance in considering the real attitude of Japan" ¹¹

In August of 1916, a fracas took place between Chinese and Japanese troops stationed in Cheng-chia-tun, Manchuria. This is called the Cheng-chia-tun incident. It was caused by trouble between a Japanese peddler and a few Chinese soldiers. In the first place Japan had no right to station troops at that place. China had repeatedly protested to the Japanese government against their presence. In the second place Japan never discussed with China the right and wrong of that case, but she proceeded directly to send eight demands to the Chinese government. The first four demands concerned the apology from Chinese authorities and heavy indemnity for the killed and wounded Japanese. The other four demands were part of the "Group V" of the "21 demands." China was to agree to the employment of Japanese police advisers by Chinese officials of South Manchuria. She was also to agree that Japan should police certain parts of Manchuria and East Inner Mongolia.

The Okuma cabinet resigned after the Chung-chia-tun incident. Japanese writers have declared that Terauchi cabinet intends to maintain friendly relations with China. But this is not true.¹² It was this very cabinet that recently sent some more demands on China.¹³ (These demands have been published in various newspapers, but there has been no official or unofficial confirmation or denial of them.) The demands are these,—Japan and China are each to furnish 200,000 troops to maintain order in China, or the alternative of Japanese occupation of Shantung and Fukien

Provinces. China is to purchase 50% of her ammunition from Japan, an article from "Group V" under the "21 demands." Dockyards and Arsenals in China are to be controlled by Japan. Japan shall have the right to operate any mine in China. Mongolia shall be opened to Japan. Special rights shall be granted to the Chino-Japanese Exchange Bank in Peking, which is a Japanese agent to control Chinese finance. Other newspapers refer to Japanese advisers to the Police Department of the Chinese Central Government.

By reading over these demands it is justifiable to say that we should not believe what Japanese statesmen have said to the world. During the last visit of K. Ishii, the head of the Japanese special mission to the United States, to New York, did he not say that his government would respect the independence and integrity of China?¹⁴ In August, 1914, Count Okuma declared to the world: "Japan has no ulterior motive, no desire to secure more territory, no thought of depriving China or other people of anything which they now possess."¹⁵ So on March third, the Peking Daily News said editorially: "Two months ago Baron Hayashi was demanding from China the virtual abrogation of her sovereignty over large parts of Manchuria and Eastern Inner Mongolia. A week ago, he declared himself, in an interview, in favor of full and real independence for China.—A 'full and real independence' for China means the end of the continental policy for Japan. It means an end of the dream of Japanese hegemony—of Japanese leadership, even in the Far East."

These demands explain very clearly Japanese motives toward China.

2. CIVIL WARS AND PARTY STRUGGLES IN CHINA:

No matter what political party is in control of China it always appeals to Japan for financial and military support. Even if they do not go to Japan, Japan will come to them. This is to keep the "eternal continuation of weak and divided China." During the Yunnan Rebellion in December, 1915, General Aoki was the strategic general in charge of the rebel forces, and this resulted in the defeat of Yuan Shi Kai's plot to restore the Monarchical form of government in China. At the same time the Japanese in Peking were on the side of Yuan Shi Kai. That is, the Japanese were playing the North of China against the South of China.

The military party in China is composed of the Chihli men and the Anhwei men. It is difficult to get them united, and Japan does not want them to unite. It is her great aim to divide the Chinese military party. If the various generals, with their various individual armies, can be arrayed against one another, China will have the present situation of Mexico, which means a continually divided China.

In the present civil war of China, which has lasted for some time already, Japan plays a great part. She loans money and ammunition to

the Central Government of China and at the same time her financial agency in Canton is also helping the South with money.

On December 12, 1916, a Japanese newspaper in Osaka published a piece of news about the experience of a Japanese helping the Mongolians to rebel against China. It is very clear that Japan wants to start trouble within China all the time, and yet she pretends to be desirous of maintaining order.

Japan wants to dominate China as Germany has dominated Turkey, but the intrigue of Japanese is far beyond that of the Germans.

3. FINANCE.

Japanese have been loaning money to China all the time. They can get high interest and valuable property as security for it. In each case Japanese advisers are to be employed. Dr. Sakatani is the financial "adviser" to China now. Japan is trying to do to China what England has done to Egypt. She wants to control China through finance. She loans money to the Chinese government, both central and local, as well as to Chinese industrial companies. In the former she gets control of Chinese government property. In the latter she gets control of Chinese industry. It is by this very method that she has come to control the Hanyehping Company, which is the largest iron and mining work in China.

"Japan is buying up China either with her own money or money from other Powers, as she bought Korea with Yen 104,000,000, which was gradually advanced to that unfortunate country four years prior to her annexation in 1910," Mr. H. K. Tong says (Millard's Review, May 25th, 1918). Mr. Tong gives the following figures of Japanese loans to China since the outbreak of the war to the end of last year:

1. Hanyehping Loan	\$ 2,500,000
2. Kwangtung Loan	1,000,000
3. Chiaotung Loan	3,000,000
4. Customs Loan	1,000,000
5. Paper Mill Loan	2,000,000
6. Hsin-ya Co. Loan	5,000,000
7. Fengtien Loan	3,000,000
8. Hankow Electric Loan	1,000,000
9. Shih-Chen Railway Loan	5,000,000
10. Canton Cement Co. Loan	1,700,000
11. Chiaotung Loan	5,000,000
12. Kwangtung Salt Loan	1,500,000
13. Kirin-Changchun Loan	6,000,000
14. Shangtung Loan	1,500,000
15. Second Chiaotung Loan	20,000,000
16. Conservancy Loan	5,000,000
17. Second Advance of the Currency Loan	10,000,000
18. Sundry Loan	6,449,000

In addition the Telegraph loan of Yen 20,000,000 has been signed. The Hupeh loan, Shensi loan, Lung Chi-Kwang's loan, Chang Tso-ling's loan, and Yen Shih-san's loan have been negotiated and may have been signed by this time. The munition loan, which is not mentioned above, is a loan in munitions, but China will have to repay in money. These munitions are used to fight against the South of China.

"An example of Japan's Chinese financial methods in China is found in the situation in Manchuria. After the Japanese-Russian War, and since then, the Japanese established many branches of the Yokohama Specie Bank, the Korean, and their other banks in Manchuria. When the present war began the Japanese spread the report among the natives that the Russian ruble notes, which had a large circulation, were worthless; and the Japanese issued large quantities of 'Laotao' and 'Korean' notes. When the moratorium was declared the Tuchun, or governor, of Feng-tien, fearing that the order might disastrously affect the banks in Manchuria, borrowed three million dollars from the Bank of Korea, which is Japanese, to increase the reserve in the local Manchurian banks.

"As compensation for this loan the Japanese demanded that they should be allowed to issue a million dollars in inconvertible notes, which the Tuchun was required to proclaim, were to be accepted by all merchants and by government officials for all payments due. The fact is, that these inconvertible notes are merely fiat money; but the Japanese forced them on the Manchurians. An authority of Mukden says that the Japanese have issued thirty-five million two hundred and forty thousand pieces of what they call 'gold notes' and fifty-five million pieces of 'silver notes,' and that all these are inconvertible, and the natives of Manchuria will have much the worst of it in the end." ¹⁶

The most significant financial event in China was the opening on February 1 of the Exchange Bank of China, which real name is "Sino-Japanese Exchange Bank." This is a Japanese financial agency to control Finance in China. "I take pleasure in announcing the opening of the Sino-Japanese Exchange Bank in Peking with satisfaction, because this bank will be the instrument to bring about a close economic coöperation between Japan and China." This is the statement which the Japanese minister of Finance said to the Japanese Diet in the early part of last February.

"The capital of this bank is \$10,000,000 and each country is to pay half of it. This bank is governed by one president (a Chinese), one special director (a Japanese), and six directors (three Chinese and three Japanese). The bank has a charter from the Chinese government and also from the government of Japan, to conduct the following lines of business: (a) Loans and discounts; (b) Deposits; (c) Exchange, Business; (d) Purchase and sale of Debentures; (e) Industrial loans; (f) Give guarantee and loans, etc., etc. In many ways the bank is said to have

special privileges not enjoyed by either the Bank of China or the Bank of Communications, and it is planned to establish branches in both China and Japan.”¹⁷

This bank may become the official Bank of China by eliminating the Bank of China and the Bank of Communications, as Chinese government institutions. Japan is to introduce the Japanese Gold “Yen” standard into China through this bank as she has attempted to do in Manchuria through the Bank of Chosen.

What all these Japanese loans and financial agencies mean to China—“A Japanese banker connected with the Mitsui organization once laughed at the statement of a prominent American banker, who spoke about security for loans to China. ‘Why worry about security for loans in China,’ said the Japanese banker, ‘we always go ahead and make the loans and then let our diplomats worry about the security.’ He meant, of course, that the security for all of Japan’s loans to China rested not with China, but with the Japanese army and its ability to enforce payment.”¹⁸ This Japanese can represent Japan when he makes this very true statement.

4. TRADE AND INDUSTRY.

Japan never can be a strong nation without China. China is the most valuable place for commerce and industry upon which her wealth will depend.

The chief export from China has been silk and tea. In the last ten or twenty years Japan was far ahead of China in silk and tea trade. Let me show it by copying down some of the statistics from a report of the Chinese Custom House in telling the exports in silk both from Japan and China from 1872 to 1915:

EXPORTS IN SILK.

Year	From China	From Japan
1872	£10,370,000	£ 1,830,000
1894	6,800,000	5,900,000
1899	12,300,000	8,900,000
1905	10,560,000	11,600,000
1910	13,300,000	18,300,000
1911	12,450,000	18,140,000
1912	14,300,000	20,020,000
1913	15,840,000	25,300,000
1914	10,915,000	20,462,000
1915	13,072,000	20,425,000

Japan is far ahead of China in the tea trade. As Mr. Yu Lin-Chang says, “China has long since been outstripped in the tea trade by such rivals as Japan, India, and Ceylon, notwithstanding that intrinsically the Chinese tea is by far the best, as it contains less of the active poisonous principle than do the others.”

Japan is also gaining year after year in trade with China. A report in regard to Japan's trade with China in 1917 has just been given out by the Financial Office in Tokyo.¹⁹ The figures show that China is rapidly becoming the best market in the world for Japan. Manchuria played an important part in Japan's foreign trade last year, as can be seen by the following returns:

1917—Exports to China, Yen 289,157,000; increase, Y. 116,367,000.

Imports from China, Yen 112,620,000; increase, Y. 19,331,000.

In Manchuria alone:

1917—Exports to Manchuria, Y. 42,069,000; increase, Y. 19,519,000.

Imports from Manchuria, Y. 13,667,000; increase, Y. 3,446,000.

The following table gives the chief Japan exports to China in 1913 (that is prior to the war):

	H. K. CY.
Cotton Yarn	\$32,128,433
Cotton Fabrics	22,591,539
Sugar	9,157,756
Copper and Copper ware	6,341,055
Coal	6,339,464
Matches	4,489,275
Marine products	4,242,390
Flour	2,714,391
Timber	2,401,276
Clothing, head and foot gear	2,050,036

Since the outbreak of the war other articles found market in China:

	H. K. CY.
Enameled ironware	\$ 485,491
Empty kegs and boxes	451,841
Woolen yarn	379,913
Telegraph and telephone accessories	378,502
Lamps and accessories	365,596
Fresh fruits	361,623
Dye stuff, face powder, etc.	284,340
Beds, tables, covers, etc.	283,297
Canvas	276,092
Paints and Varnishes, etc.	276,680

We can compare the commerce of various nations with that of Japan in China, which may show the Japanese progress along this line:

	H. K. CY.
1914—Exports from U. S. and Canada	\$ 55,345,171
Exports from European Nations	188,107,889
Exports from Japan	129,717,576
1916—Exports from U. S. and Canada	105,932,196
Exports from European Nations	188,938,101
Exports from Japan	233,011,916

I do not know how many industrial factories are owned by Japanese in China. It is a goodly number, especially in Manchuria.

Let us see about the Japanese influence on the railroads in China. One of the "21 Demands" is that Japan shall have the right to build railroads in South China, but this demand was postponed for negotiation and has never been discussed, unless secretly, since then. At the present time railroads under Japanese influence in China are mostly in Manchuria. We may divide them into three classes, namely: Railroads actually under Japanese control, Railroads with Japanese financial influence, and Railroads which Japan has demanded the right to build.

Railroads actually under Japanese control:

Dairen-Changchun	435.8 mi.
Mukden-Antung	170.2 mi.
Dairen-Port Arthur	37.1 mi.
Suehiatun-Fushun	3.09 mi.
Tsinan-Tsingtao	293.3 mi.

And a few branches in Shantung (used to be Germans').

Railroads with Japanese financial influence (up to the end of 1916):

	LOAN FROM JAPAN
Nanchang-Payang	£ 500,000
Kirin-Changchun	215,000

(It has been said that this railroad is actually under Japanese control.)

Peking-Hankow	£1,220,000
Mukden-Simman-tun	32,000
Sze-Ping-Chi to Changchia-tun	500,000
Autung-Ching	20,000
Lun Chun-Yue Hai	100,000

Railroads which Japan has demanded the right to build:

Chai Yuan-Hai Shing	120 mi.
Sze-Ping-Chi-Taonan	230 mi.
Taonan-Yit-Ho-Kan	450 mi.
Changchun-Taonan	450 mi.
Kirin-Hai Lung	60 mi.
Tsinan-Suntuck	120 mi.

Some of these railroads are either under construction or have been completed.

A good deal of the mining industry in China is also under the control of Japan. She can operate any mine which is within the Japanese railway zone, which is thirty li's. She knows that China is the only place that she can turn for mining, especially iron and coal. Japan recently demands from China that she shall have the right to operate any mine within China. One should not feel strange to see Japanese engineers everywhere in China investigating mines.

Let us turn to some of the important Japanese enterprises in China. The Fang Sze coal mine, the Pun Shang coal mine and Chin Ling iron mine are in Shantung, with a capital of 12,000,000 mk. (this used to be Germany's). The Sack-Pa-Ling coal mine and the Yiu-Toi coal mine are in Manchuria. The Fushan coal mine is very prosperous. It has a capital of Yen 12,254,065. It contains 800,000,000 tons of coal. With Yan-Toi mine they both have a daily output of about 8,000 tons of coal. The Pen-hsi-hu coal mine and the An-shan-chang iron mine are joint Japanese-Chinese enterprises. It has been estimated that the Pen-hsi-hu mine contains 123,000,000 tons of coal and An-shan-chang contains 100,000,000 tons of ore.²⁰ She has obtained an iron mine at Fung-Kuan-Shan and a few small mines through the Yangtze valley. She has tried hard to obtain the iron mines at Fung-Wang-Shan and Mei-Ling-Kwan at Kiangsu Province.

The Hanyehping Company used to be a very large Chinese enterprise. It controls the Hanyang iron works and a number of coal and iron mines at the Yangtze valley. Once this company had a loan of about \$15,000,000 from the Yokohama Specie Bank, which brought it under Japanese influence. This company has to pay to Japan 13,000 tons of iron ore on a fixed price as the interest of the loan each year. As the loan was secured by a mortgage on the property, Japan thus held the Hanyehping Company in a double grip. A Japanese engineer is to be employed by the company.

The Japanese motive in regard to this company can be seen in the "21 demands." It says, "The Chinese government shall engage not to permit, without the consent of the company, anyone other than the company to work mines in the neighborhood—and also to obtain consent from the Japanese financiers in case it is proposed to take other steps which may effect the company directly or indirectly." It was not very long ago that the Japanese government asked the Chinese government to permit her to send troops to protect the Hanyehping Co., when some fighting was going on there between the troops of the North and the South of China.

It has been estimated that the percentage of the total known iron holdings in China available for modern treatment is about as follows:

Japanese or Sino-Japanese	170,000,000 tons
Chinese Government reserve	100,000,000 to 150,000,000 tons
Chinese Cos. or individuals	50,000,000 to 70,000,000 tons ²¹

Since the outbreak of this war the Japanese shipping monopoly in the Pacific has become greater every day. With the opportunity of this war and the subsidy of the government, Japanese Shipping companies have gained tremendously recently.

At the outbreak of war Japanese shipyards, capable of constructing ships over 1,000 tons, numbered only six or seven. By October, 1917, it

was estimated that the number had risen to thirty. The annual output of these yards is about 600,000 tons.

The following report may show pretty well the progress of Japanese shipping in the China Seas:

1914—American ships	1,047,423 tons
European ships	40,982,782 tons
Japanese ships	23,996,972 tons
1916—American ships	799,913 tons
European ships	39,587,776 tons
Japanese ships	24,233,835 tons

This shows that Japan has gained 236,863 tons.

Will Japan dominate China through commerce and industry? That is why the continental party of Japan is opposed by the financiers who think that they can control China through the Power of Finance.

5. THE CONTROL OF MILITARY FORCES AND ARSENALS:

By reading the "21 demands" and the recent demands which Japan has sent to China, one can easily see how anxious Japan is to control the munitions of China. She demands that China should purchase 50% of her munitions from Japan. This demand of 1915 was postponed for negotiations. After having joined the Allies, China had a munition loan from Japan, which she will have to repay in money. In the recent demands Japan again wants China to purchase 50% of the munitions she uses. Through this munition loan and the recent demands Japan seeks to control the Arsenals of China by asking China to employ Japanese engineers and to buy materials for the Chinese Arsenals. Furthermore, this is to prevent China from having any war with Japan in the future. Buying munitions is a matter of business. Japan has no right to demand of China from what country she should buy her munition. I should not doubt for a moment that some day Japan will demand that China buy everything from Japan that she needs.

It is also in the recent demands that Japan shall send 200,000 troops, with an equal number of Chinese troops, to maintain order in China. It has been said that in case China will send troops to Europe or Siberia, they must be under Japanese generals.

We all know that General Aoki, a great soldier of Japan, is now in Peking as a military adviser to the Chinese government. Japanese military advisers are in Manchuria. Japan is trying to control indirectly the troops of China.

6. EMIGRATION.

On account of her overpopulation Japan has tried her best to foster emigration in Manchuria. We must bear in mind that Japan has already

taken Korea, 88,000 sq. mi., Formosa, 13,552 sq. mi., Dairen and Port Arthur, 1,378 sq. mi., Luchu Islands, 5,550 sq. mi., and Kiaochow, 2,500 sq. mi., from China. Japan has great administrative power in Manchuria already and now her eyes are cast on Eastern Inner Mongolia, Shantung and Fukien Provinces.

Manchuria has an area of 363,700 sq. mi. It has been said that it is capable of supporting a population of 100,000,000. Today Manchuria has a population of 17,500,000. In Manchuria China has 13,000,000 Chinese, 4,000,000 of Manchu race, and Japan has 100,000 Japanese, and 250,000 Koreans. There are about 200,000 Japanese in China and the above statement has shown that Japan has one-half of this number in Manchuria. Many Koreans have sold their lands in Korea to Japanese and come over to Manchuria. Japan is enjoying this movement and Japan can point out that she has the interests of some 350,000 of her subjects resident in Manchuria to look after.

Since the presenting of the "21 demands" Japan has secured the right to own lands in Manchuria and Eastern Inner Mongolia. This is the way that they do it: The Japanese banks in Manchuria loan money to the Chinese with high interest, secured by a mortgage on land. If the Chinese are unable to repay their loans, the Japanese banks get control of their lands. It has been reported that over 8,980 mows (7.08 mows equal 1 acre) of land in South Manchuria have gone to the Japanese banks in this way.

It is also said that over twenty Japanese experts have been sent into Eastern Inner Mongolia to investigate the valuable lands there. It seems that if Manchuria and Eastern Inner Mongolia pass to the possession of Japan, they will serve the purposes of exploitations and colonization.

E. WHY NOT LET JAPAN ANNEX MANCHURIA?

Japan can annex Manchuria at any moment. China as well as the world can hardly protest against her at present or even for some time after this war. It is up to Japan to decide when to do it. But we must say whether or not such action is justified as regards China as well as the people in Manchuria. We can judge this question by reviewing what Japan has done in Korea.

Japanese publicists keep on telling the world how much the annexation of Korea by Japan means to the Koreans as well as to the world. Let us hear what the Koreans say about it. Henry Chung, a Korean, in his letter to the Editor of the Chinese Students' Monthly in the May number of 1918, says: "Japan, profiting by the experience of the colonizing nations of the West, is applying in Korea a method, the most unique and effective known in the history of imperial conquest. . . . The Oriental Colonization Company tried to buy lands from the Koreans, but the Koreans refused to sell them. Here the government aid was brought in. All finan-

cial machinery in Korea is controlled by the Bank of Chosen, a government bank in Seoul. This powerful financial institution, through its branch banks and agencies, called in all the specie in the country and made the land practically moneyless as far as the circulating medium was concerned. Cash the Koreans must have to pay taxes and to buy the necessities of life. The only way they could get money was to sell their real estate. The value of land dropped to one-half, in many localities as low as one-fifth, of its original value. Then the Bank of Chosen sent out agents all over the country and bought the land for tens of thousands of Japanese emigrants sent over by the Oriental Colonization Company." In so doing one-fifth of the richest land in Korea is in the hands of the Japanese. He goes on to say that in commerce and industry the Japanese have the complete monopoly. "Now the Nipponese tradesmen practically drive out all other nationalities and have the market to themselves. . . . Thus the Korean people are reduced to industrial serfdom, and are forced to submit to Japanese rule through economic pressure." He shows us how Japan made a systematic collection of all works of Korean history and literature and burned them. The Japanese language has been made the official tongue and also the language of the schools and public gatherings. In this the church stands as an obstacle, which led to the "Persecution of the Church" in 1912. The educational regulations forbid religious services and the teaching of history, geography and Korean language in all the schools of Korea. Korean children are taught to salute the Japanese flag and worship the Japanese emperor's tablet. No Korean student is permitted to go to Europe or America to finish his education. "Korea has been Prussianized," says Tyler Dennett, as Mr. Henry Chung quotes it. "Japan has even gone so far as to forbid Korean students to come to the United States to finish their education. The Prussianizing of Alsace-Lorraine never went to such an extreme as that."

F. THE ISHII-LANSING AGREEMENT.

When the famous Ishii-Lansing Agreement was signed last November 6th, 1917, a number of writers both in newspapers and magazines rejoiced and believed that Japan could be trusted in her relation to China. They thought that Japan would respect the independence or territorial integrity of China. It is strange to me that a land-hungry people can be trusted in such a degree. Of course this agreement introduces the phrase "special interest," which may mean anything to Japan.

Japan has signed many other agreements with other nations of similar nature. In 1902 she signed one with England, which is this: "The High Contracting Parties, having mutually recognized the Independence of China and Korea, declare themselves to be uninfluenced by any aggressive tendencies in their country. . . ."

The Russo-Japanese agreement, signed in 1906, declares: "The two high contracting parties recognize the Independence and territorial integrity of the Empire of China, and the principle of equal opportunity in whatever concerns the commerce and industry of all nations in that Empire, and engage to sustain and defend the maintenance of the status quo and respect for this principle by all the pacific means within their reach."

Similar pledges were signed with France and with the United States in 1907 and 1908. Was there any value in signing another agreement between Japan and the United States, as the Ishii-Lansing Agreement, which is similar to that of 1908, except by introducing the famous phrase, "special interests"? There may be, but does Japan respect such agreements?

In the first treaty of Alliance with England, Japan agreed to respect the independence of China and Korea. In the second treaty of the same alliance the "special interests" phrase is elaborated, which led to the aggression of Korea.

In spite of so many pledges that Japan has signed with other Powers about respecting the rights and integrity of China, the "21 demands" and the recent demands were sent to China, which gave no respect at all to the integrity of China. The recent demands were sent in the latter part of last March, which was just five months after the Ishii-Lansing Agreement was signed. One of these demands is the adoption of a plan for the operation of two hundred thousand Japanese troops with an equal number of Chinese to restore order in China, or the alternative of Japanese occupation of Shantung and Fukien Provinces.

The newspapers have kept on telling us from time to time the Japanese interference of the rights of China within China. A Japanese Police Station was once established in Amoy, Fukien. Japanese civil officers have been in many places in Shantung, in spite of strong protest from China. Chinese subjects in Manchuria are often killed by Japanese soldiers and policemen. Import duties may not be paid in Manchuria. The Peking Gazette, a famous Chinese Daily, was ordered to close by the demand of the Japanese minister at Peking, because of its unfavorable attitude toward Japan. Her postoffices in China are over one hundred thirty in number.

The Ishii-Lansing Agreement has not a bit of effect upon the aggressive policy of Japan in China. As Carl Cron says in his article, "We complete the Chinese Wall," in the *Sunset*: "Then it may be seen that while fighting in Europe for the rights of small nations and to make the world safe for Democracy, we have for the sake of present security in the Pacific, foresworn the policy which has protected the rights of China and have removed the last safeguard against the disintegration of the most populous republic on earth."²²

G. OPEN DOOR POLICY AND THE "MONROE DOCTRINE OF ASIA."

The so-called "Open Door" policy in China means equal opportunity for commerce and industry in China. That means that every nation shall have the same opportunity in Commerce and Industry in China. This may be true in places where the Japanese influence has not yet reached. Let us see what this policy means in Manchuria. No other railway is allowed to be built parallel to the South Manchuria Railroad. Goods of other nations handled by the Japanese railroads and ships are always detained and interfered with. We must bear in mind that Japan has the monopoly of railroads and shipping transportation in Manchuria. Japan should be concerned first for loans to build Railroads in Manchuria.

In the "21 demands" it says that if China needs foreign capital to work mines, build railroads and to construct harbor works, including dock-yards in the Province of Fukien, Japan shall first be consulted. No other company is allowed to operate any mine in the neighborhood of those owned by the Hanyehping Company. Japan is not maintaining the "open door," but is really trying to close the door.

We have often heard of the so-called "Monroe Doctrine" of Asia or "Asia for Asiatics." Japan always admires Germany a good deal. Germany has tried to dominate Central Europe, the Balkan States and Asia Minor.

Japan is always copying this movement in Asia. She wants to be the Germany of Asia. She has gone even farther than Germany. She has consolidated her own position in Manchuria and Eastern Inner Mongolia. She has driven Germany out of Shantung and is successor to German rights. She has undertaken to invade the British sphere of influence. She stands in a position to menace and to dictate to the Chinese government.

This "Monroe Doctrine" is to be against European Powers, but Great Britain has more interests and power in Asia than any other nation, and Great Britain is Japan's ally. Japan's "Monroe Doctrine" is aggressive and not self-excluding.

Russia has 6,500,000 sq. mi. of territory and Great Britain has 2,000,000 sq. mi., with a total population of 400,000,000 in Asia. China is sixteen times as large as Japan. Can Japan maintain this Doctrine?

Japan seeks to be tutor of China. She does not concede that the basis of her own civilization was gotten from China in former years. Of course she has been ahead in adopting the western civilization. The simple reason of this may be found that her civilization is somewhat like a costume that can be put on or taken off. It is if a Japanese, wearing a Chinese costume, exchanges for one from the West. But then China does

not have to go to Japan for her tutors for the western civilization. She may go to the original sources. Japan has nothing to give China.

Furthermore she does not seek to build up China as an honorable tutor. She seeks to keep her weak and divided. Such never can be the motive of the tutor we would like.

H. CHINA MUST BE LEFT TO DEVELOP HERSELF.

The aggressive policy of Japan in China is opposed to this great war aim "To make the world safe for Democracy." Her program in China is purely imperialistic. If Democracy is going to win in this world war, Japanese Imperialism must either give way or it will mean another war between Democracy and Imperialism. On the other hand if unfortunately the Imperialism should win in this war, the domination of China by Japan will arouse the Leaders of Imperialism to be jealous of her, which leads to either partitioning of China or a great war in the Far East as a result of national rivalry. So the domination of China by Japan will never preserve peace in the future.

China has been struggling for a place in the new world. In the name of justice and right she should not be interfered with and hindered in her development. She wants, not interference, but friendly help that she may take her place among the people of the world and that in the new world of Democracy. She may make her contribution to the new civilization! A fair chance and a friendly hand: That is peace. That is justice. That is democracy.

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