

say was that the best way for Japan to govern China was to divide it into a number of autonomous provinces of which the northern provinces would be backed up by Japanese force. When it is remembered with what fervor and stir Japan is now building up a totalitarian state and how strongly centralized she already is now, it is indeed amusing to hear this recommendation of a federated government for China, whose chief cause of weakness was exactly this loose system of federation which she had all but in name during the long past and which is now breaking down with the gradual growth of national consciousness; and it would be still more amusing to note this extraordinary enthusiasm of Japan over China's form of government, when we come to consider that plainly it is China's concern, and none of Japan's, to see what sort of governmental system we need, and especially when we consider what rhyme or reason there could be that Japan would not introduce this system of federation, to which she takes such fancy, in her own land, or in Formosa, or Korea, or in the territory which she calls "Manchoukuo."

Japan contends that she has a surplus population which increases and that she cannot help looking for an outlet somewhere. But is it not that in hardly over forty years she has taken Formosa, Korea, and four of China's large provinces, besides many islands in the Pacific, so that she is today several times her size forty years ago? Miss Freda Utey points out that she has even left large parts of her own territory uncultivated, particularly in the Hokkaido, and, those who are familiar with the conditions prevailing in Formosa affirm that for the most part it is but sparsely populated. Moreover, judging from the past, it does not appear that she made much use of her outlets to which she had free access. There are now under her control vast regions which are capable of accomodating all of her surplus population for many hundreds of years to come. Do we see any indication that she is satisfied? And if she wants what is called "elbow room" to solve her population problem, what about China, with her huge population which increases numerically much more rapidly than is her case and with her territory dwindling in size all the time these many years?

The proximity of North China to the so-called "Manchoukuo" has been made another ground for the justification of her numerous impossible claims and predatory acts.

All the mummeries and juggleries that she performed before September, 1931, in China's northeastern provinces she now repeats in the northern provinces, and she is looking for some diplomatic note, like the Ishii-Lansing note, to complete her stunts. However, it seems a little premature to lay claim to five provinces when her foothold hardly extends beyond a fraction of one province.

The Japanese are from a race which is characterized by its intensive nationalism. Their achievements in the past seventy years have astounded the world. But they are hide-bound, and seized with a war mania. China is a weak nation. But she had her days of glory. She had a political system which was sufficient for her purpose before she came into contact with this modern world in which the nations are systematically organized and regimented. But at the moment of this contact, her system broke down. Some Western scholars, for want of an appropriate name, call China "a civilization", "a cultural group." But composed as she is fundamentally of one race, possessing one common language (at least written language), observing the same rules of conduct, following the same social manners and customs, worshipping the same gods, keeping the same festivals, having the same traditions, the same history, the same culture, etc., she is certainly more than a group, or civilization. Nevertheless, the fact remains that she is loosely organized and that she lacks a strong national sentiment. But things are changing, in China as elsewhere. There have gradually emerged from a past of internecine struggles political unity and national consciousness. If airplanes, radios, motor roads, motor cars, etc. have opened up China, they have also contributed to her unity and nationalism, which, once begun, tend to grow. And this phenomenon of the growth, and, in some countries, intensification, of nationalism is discernible not only in European countries, but also in Asiatic, particularly in Turkey, Arabia and Iran. If China's unity and nationalism have not quite taken root yet, indications, however, point to their continual growth, especially in this environment of the world. In these circumstances, it appears that Japan has started her conquest of China at least one generation too late. Besides, the outcome of war, any war, has never been very certain. Now that she has already resorted to the *ultima ratio*, perhaps it would be too much to expect that her better sense would still prevail.

Underlying Factors in the North China Crisis

By POELIU DAI (戴葆堃)

THE withdrawal of the Chinese troops from Peiping and Tientsin marks the beginning of a new phase of Japanese continental expansion. The significance of this development can hardly be exaggerated. Hegemony over these principal cities will not only accelerate the consolidation of Japan's political as well as economic control over North China but also constitute a lasting menace to the exercise of sovereignty by the national government. In the present article, an attempt will be made to analyze the underlying factors leading to the present crisis.

The Political Factor:—The outbreak of hostilities in North China is not an isolated issue by itself but, on the contrary, represents a continuous development of Japanese

militarism—a fact which admits no challenge. The Mukden incident of September 18, 1931, and the succession of events following it indicate clearly that Japan has wilfully embarked upon the policy of progressive destruction of China's territorial and administrative integrity. Although Sino-Japanese rapprochement, economic coöperation, "a new concept of China" and other similar slogans have been intermittently heralded by Japanese politicians, the military autocrats, by virtue of their peculiar constitutional position of not being subject to civil control, have dominated the Tokyo government and have consistently chosen positive actions for the realization of their desired ends. These medieval-minded warlords have been thorough-

ly committed to the ideology of blood and iron as forming the essence of *realpolitik*. They believe, as Count Okuma declared in 1914, that as a law of natural selection "those who are superior will govern those who are inferior" and that in the course of "two or three centuries the world will have a few great governing countries and others will be governed by them and will pay homage to their might." To prepare themselves to become a governing nation, Baron Tanaka has bequeathed to his people a concrete program of military conquest. In his now famous memorial, he wrote that "in order to conquer China we must first conquer Manchuria and Mongolia. In order to conquer the world, we must first conquer China. If we succeed in conquering China, the rest of the Asiatic countries and the South Sea countries will fear and surrender to us. Then the world will realize that Eastern Asia is ours and will not dare to violate our rights." For this political expansionist program, the military class in Japan entertains a sort of pious reverence and has relentlessly sought to bring it into actual fulfillment.

The success in the Manchurian invasion and the Jehol debacle have emboldened the militarists; and the unprecedented promotion of the so-called young officers of the army such as Doihara, Umetsu, and others to high posts in recognition of their intrigue in China, encourages further adventures. The signing of the Tangku agreement temporarily retarded their movement but as a result of their control over the strategic passes along the Wall, and the creation of the so-called demilitarized zones, the Japanese army has acquired a most effective basis of operation for the invasion of North China.

Subsequent to the creation of the Hopei-Chahar Political Council toward the end of 1935, however, there has been a radical reorientation of China's policy. Instead of further conceding to the insatiable demands of the Japanese military, the Chinese government has assiduously pursued the policy of not only repelling further inroads upon its territory but also steadily tightening its grip over the affairs of its various administrative units. Externally independent and internally unified is in fact the goal for which the central government has been striving. As a result, when the demand for fiscal and administrative autonomy of North China was inserted last autumn by Ambassador Kawagoe in his abortive negotiation with General Chang Chun, it was flatly rejected by the Chinese foreign minister and was eliminated from later discussions. Since the breakdown of those conversations, Sino-Japanese negotiations have been deadlocked with China advocating settlement of political issues as *sine qua non* to economic coöperation and Japan insisting on economic collaboration as a prelude to the liquidation of political difficulties. The failure of the Kodama mission in achieving any concrete result constituted a death-blow to the program of economic penetration which formed the kernel of the policy of Foreign Minister Satoh in regard to China. The military elements urged to adopt immediate positive actions.

Meanwhile, the efforts of the national government in bringing the provinces of Hopei and Chahar under more effective centralized control proved increasingly successful. Deputies of General Sung Cheh-yuan were in constant con-

sultation with Nanking; high officials of the central government visited the ancient capital in rapid successions; participation of the northern provinces in national election strengthened the bond between the regional regime and the central authorities; a notorious pro-Japanese official by the name of Chen Chueh-sheng, formerly director of the Peiping-Liaoning Railway, was impeached by a censor of the Control Yuan; smuggling activities, even with the armed assistance of the Japanese garrison, was held in effective check. All these "centralizing" measures, legitimate as they certainly are, were resented by the Japanese who regarded them as diametrically opposite to their program of "specialization". By that mystical term, they seem to imply, as events later indicated, at least the following conditions: (1) the abstention on the part of the national government from supervising over the affairs of North China; (2) Japanese sanction over the choice of the personnel in the northern officialdom; (3) suppression of the so-called anti-Japanese propaganda; (4) actual carrying out of measures of economic coöperation; (5) formation of a joint anti-communist front. If these conditions were carried in their entirety, North China would most certainly be reduced to the status of a semi-colony of Japan. The Chinese government and the people are unanimous in resisting against such subjugation.

The Economic Factor:—In analyzing the economic factor of the present crisis, a word must first be said concerning the status of the northern five provinces in China's economic life. These provinces, including Hopei, Chahar, Suiyuan, Shansi, and Shantung, occupy an area of about 400,000 square miles of very fertile soil and constitute an economic unit of vital importance. In agriculture, this region contributes 40 percent of the wheat production of China, 51 percent of the Kaoliang, 37 percent of the maize, 56 percent of the millet, and 37 percent of the peanuts. With the exception of rice, the production of the staple crops in this area amounts to over one-third of the total outputs of the country. Over 90 percent of China's wool and upwards of 34 percent of cotton are produced in these provinces. Of minerals, 70 percent of the coal deposits of the country and 40 percent of the iron ores are found. In regard to foreign trade, the importance of Tientsin as a commercial center is second only to Shanghai. According to the statistics for 1935 compiled by the Maritime Customs, the trade in the six ports in North China constituted 28 percent of the figure for the entire country. In communicational facilities, there are over 4,000 miles of railways and over 17,000 miles of highways. With respect to national income, North China contributes annually approximately 70 millions of the customs revenue, 42 millions of the salt revenue, and 15 millions from the consolidated taxes; thus over 20 percent of China's revenue is derived from these provinces. Upon the basis of these figures, one can fairly accurately surmise the significant importance of North China to the economic existence of our country.

On the part of Japan, however, her own natural resources are limited in quantity. She has, as Professor H. D. Fong of Nankai University has recently pointed out, only 8,276 million tons of coal or .2 percent of the world's supply; petroleum, 1,253 million casks or .18 percent of the world's

total; iron ore 85 million or .04 percent of the world's. Even in times of peace, she has to depend upon foreign import for raw materials such as cotton, wool, etc. This lack of adequate supply of fuel and agricultural products, essential both for purposes of industrialization as well as for manufacturing of war materials, is an important cause for prompting, though by no means justifying, the adventure of the Japanese military into North China.

The first note of economic exploitation was struck by Mr. Hirota who during his first term as foreign minister in the Saito cabinet, laid down in general terms a formula of cooperation between Japan, China, and "Manchoukuo" for the development of North China. The idea took a more concrete shape when the commercial counsellor of the Japanese embassy returned from his brief home visit in the early part of 1935 and brought back with him a plan for economic cooperation between the two countries, including the development of agriculture in China with Japanese assistance; the improvement in Sino-Japanese trade relations; and the floatation of a loan of \$200,000,000 by Japan to China. In September of the same year, another program of cooperation was mapped out by the Japanese government and transmitted to the Japanese embassy in China for negotiation. This latter plan provided for Japanese assistance in developing Chinese agriculture, industry, and other means of communication and transportation, particularly in connection with the opening of coal, iron, antimony, and other mines in China.

In 1936, this movement for economic exploitation was greatly accelerated, for in August of that year a Hsin Chung Company, a subsidiary of the South Manchuria Railway Company, was formed, capitalized at Y.10,000,000 and entrusted with the task of promoting all sorts of economic enterprises in North China. The projected activities of that company included the following:

1. For the improvement of cotton seeds and large-scale production of cotton, a special committee for cotton planting in East Hopei was organized and several districts including Shangho, Changli, Yutien, Tunghsien, and others were chosen for the establishment of experimental stations.
2. The construction of a railway between Tientsin and Shihchiachwang which would provide direct access to the products of Shansi, particularly coal and iron, and obviate the necessity of transporting northwestern products to Japan by way of Peiping.
3. The building of a harbor at Tangku at an estimated cost of Y.30,000,000, in order to facilitate marine transportation.
4. The organization of a Sino-Japanese syndicate with an initial capital of 30 million *yen* for the exploitation of the Lungyen Iron Mines in the vicinity of Peiping. These famous mines have an estimated deposit of 91.6 million tons, constituting 28 percent of the total iron ores in China.
5. The organization of a Sino-Japanese Power company in Tientsin in 1936 was an preliminary step for the control of electric enterprises on North China.
6. The inauguration of illegal flying by the Hui Tung Aviation Company in four air routes touching Tientsin, Peiping, Kalgan, Chinchow, Liaoning, Changchun, Dairen, and Japan.

These measures, if completely carried out, would certainly transform China into an agricultural appendage of the Japanese economy and would deny the country entirely any prospect of industrial development. Consequently, Chinese leaders in full recognition of this danger have stubbornly resisted the aggressive designs of the Japanese and have laid down the following points as fundamental conditions for cooperation: (1) projects of a purely economic nature may be instituted but must be regulated by Chinese laws; (2) in the construction of railways or in exploitation of mines, technical assistance must not be accompanied by administrative control; (3) in cotton and wheat planting, experimentations are permissible only as long as they are not directed to secure a monopolistic control of the supply; (4) the reduction of the Chinese import tariffs is out of question; and (5) economic cooperation must be preceded by a liquidation of political difficulties.

From the above discussions, it may be seen that the viewpoints of the two countries are so divergent as to permit no compromise. Negotiations have been going on for more than one year and a half but no concrete result has been reached, save the arbitrary opening of the air service between Tientsin and Tokyo which drew violent protests from the Chinese government. The downfall of the Hayashi cabinet terminated all talks of economic cooperation and the Konoye administration has been laboring pitifully under the dictation of the military clique. The Japanese garrison in North China seized this opportunity to start the imbroglio, by which they hope to achieve the economic aims by one bold stroke.

Other Factors:—Besides these political and economic considerations, the Japanese military, it must be pointed out, have not been blind to the strategic value of the occupation of or control over the two important trunk lines between Tientsin and Pukow on the one hand and between Peiping and Hankow on the other. Placing these railways under their command, Japanese troops may be rushed at a moment's notice to the shore of the Yangtze River, threatening the safety of Central China and dictating demands upon Nanking. One trembles to think of these grave consequences. Moreover, the ancient city of Peiping, though no longer the national capital, has nevertheless remained the most important cultural center of the country with half a dozen of institutions of high learnings located therein. Surrender of that ancient capital would mean to the Japanese complete suppression of the patriotic agitations and demonstration on the part of the Chinese student bodies there and may create, in certain sectors of the Chinese population, to say the least, a feeling of hopeless defeatism. What should be our way out? Shall we yield to Japanese imperialism from the Yellow River Valley to the Yangtze Delta? Listen to these observations of a foreign editor: "In such a world right seems to exist only where it is endorsed by the gun or the bomb; wrong can be indicted only where it is so weak that anyone can trample on it with impunity. Self-defence paradoxically enough becomes the only corrective." The Chinese nation now demands the immediate application of that corrective!