

## 2. A QUARTER-CENTURY OF UNRESOLVED PROBLEMS

### Completion of a railroad line strangling the South Manchurian Railway

What were the cumulative factors which, over a quarter-century, gave rise to the Manchurian Incident? According to the Lytton Commission's report, "The international politics of Manchuria for a quarter of a century have been largely railway politics."<sup>1</sup> As already stated, these political conflicts, which arose soon after the Russo-Japanese War, gave rise to numerous disputes (the great majority of which were never resolved), and ultimately culminated in the Manchurian Incident.

By waging the Russo-Japanese War, the Japanese rescued Manchuria from the Russians. They then constructed a railroad in that wasteland, established industries, built an underpinning for prosperity, and with the aid of the Guandong Army, maintained public order. Consequently, the calamities of Chinese domestic strife did not affect Manchuria, which thrived as a separate, peaceful world. Each year a million Han Chinese, desperate to escape the ravages of war in China, poured into Manchuria. The population of Manchuria, 18 million at the time of the 1911 Revolution, had swelled to 30 million by 1931.

Thanks to Japanese economic development efforts, Manchurian trade increased. In 1927, 20 years after the customs authority in Dalian opened, there was evidence of remarkable growth: the trade volume for China proper was 2.64 times, and that for Manchuria, 6.55 times the 1907 figure. The authors of the Lytton Report had no choice but to acknowledge that Manchuria's growth was the result of Japanese economic activity.

When Zhang Zuolin held sway over Manchuria, he realized how important and how profitable the railroads were, and decided to exploit Manchurian economic benefits by constructing his own railroad.

However, railroad construction using Japanese capital and technology was always accompanied by breaches of contract and betrayals of trust, including defaults on construction expenses and loan repayments. In the end, Zhang established the Three Provinces Transportation Committee (renamed Northeastern Transportation Committee by Zhang Xueliang in September 1928), and set about strangling the South Manchuria Railway by constructing his own railroads. Over two generations, Zhang Zuolin, and then his son, Zhang Xueliang, proceeded to build two lines parallel to the South Manchuria Railway, thus committing a treaty violation. The parallel railroads were completed in 1929. As a result, the South Manchuria Railway fell into decline and then ruin. Obviously, the Japanese could not stand by and watch as this strangulation progressed.

Incidentally, the parallel-line problem arose long before the Russo-Japanese War, when Russia leased Port Arthur and Dalian, and built the southern branch of the Chinese Eastern Railway. The Russians extracted a promise from the Chinese, by way of Article 3 of an agreement appended to the Li-Lobanov Treaty (concluded between Russia and China in May 1898), not to construct any

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<sup>1</sup> Commission of Enquiry, Earl of Lytton, *op. cit.*, 42.

railroad that would compete with the Chinese Eastern Railway. When the Russo-Japanese War ended, Japan requested the same terms, and to make them clear and binding, included Article 3 in protocols attached to the Treaty of Manchuria (December 1905):

The Chinese Government engage, for the purpose of protecting the interest of the South Manchurian Railway, not to construct, prior to the recovery by them of the said railway, any main line in the neighborhood of and parallel to that railway, or any branch line which might be prejudicial to the interest of the above-mentioned railway.<sup>2</sup>

Subsequently, frequently occurring problems involving parallel railroad lines had a negative effect on Japan-China relations for quite some time. The first one arose in 1907, when the Chinese came up with a plan to construct a railroad extending from Xinmintun to Fakumen, with capital provided by British firm Pauling and Company. This project was met with vehement objections from the Japanese, who cited it as a treaty violation.<sup>3</sup> This dispute was finally settled on September 4, 1909, with a treaty that contained the following provision:

Art. 2 – The Government of China engages that in the event of its undertaking to construct a railway between Hsinmintun and Fakumen, it shall arrange previously with the Government of Japan.<sup>4</sup>

### **Violation of commercial-lease rights**

I have already discussed the violation of Japanese land- and commercial-lease rights in southern Manchuria, such rights having been established by the Sino-Japanese Treaty of 1915.<sup>5</sup> Japanese land-lease and commercial-lease rights in southern Manchuria and eastern Inner Mongolia were based on that same treaty, signed on May 25, 1915, which settled the Twenty-One Demands problem, and therefore should have become established as legitimate rights.

Article 2 of the treaty reads as follows:

Article 2. Japanese subjects in South Manchuria may, by negotiation, lease land necessary for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises.<sup>6</sup>

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<sup>2</sup> Carnegie Endowment for International Peace, Division of International Law, “Summary of alleged Secret Protocols to Sino-Japanese Treaty of December 22, 1905” in *Manchuria, Treaties and Agreements* (Washington, D.C.: Carnegie Endowment for International Peace), 83.

<sup>3</sup> See Chapter 4.1.

<sup>4</sup> Carnegie Endowment for International Peace, *op. cit.*, “Agreement concerning mines and railways in Manchuria, 129.

<sup>5</sup> See Chapter 5.1.

<sup>6</sup> Carnegie Endowment for International Peace, *op. cit.*, “Treaty and exchanges of notes respecting South Manchuria and Eastern Inner Mongolia,” 156.

Further clarification can be found in the Exchange of Notes relating to said article, which states that “the term ‘lease by negotiation’ contained in Article 2 of the Treaty respecting South Manchuria and Eastern Inner Mongolia signed this day shall be understood to imply a long-term lease of not more than thirty years and also the possibility of its unconditional renewal.”<sup>7</sup> “Unconditional renewal” can be construed as the guarantee of the right to lease the land in perpetuity (in effect, to purchase and own the land in question).

However, as the Lytton Report states, “The Chinese interpreted the desire of the Japanese to obtain lands in Manchuria, whether by lease, purchase, or mortgage, as evidence of a Japanese national policy to ‘buy Manchuria.’ Their authorities therefore very generally attempted to obstruct efforts of the Japanese to this end, and became increasingly active in the three or four years preceding September 1931, a period during which the Chinese ‘Rights-Recovery Movement’ was at its height.”<sup>8</sup>

Treaties relating to land leases normally require separate agreements for their implementation. But the Chinese had not yet fulfilled their obligations under the treaty 15 years after it was signed (on the pretext that no detailed agreement including all the specifics had yet been concluded), and they even exerted undue pressure on Japanese residents and business owners.

For instance, on June 24, 1915, one month after the signing of the Sino-Japanese Treaty, the Chinese issued a presidential decree promulgating a special criminal law called the Ordinance for the Punishment of Traitors, which stated that anyone who leased land to a Japanese would be executed for treason.

On the one hand, China made public promises relating to land and commercial leases and the like, through a treaty with Japan. Yet, on the other hand, China, as a contracting party, issued prohibitions that invalidated and undermined that very treaty. Such behavior does not even remotely resemble that of a modern, civilized nation. But it was the time-honored way in which China sowed the seeds of international conflict with colossal disregard for the law and dishonesty.

In December of 1916, the year after the Sino-Japanese Treaty was signed, the Fengtian authorities issued a ministerial ordinance stating that “land rights (land certificates) used as collateral or sold as collateral are henceforth invalid.” In December of the following year another ministerial ordinance emerged, declaring that “persons who have used land certificates as collateral, or who have sold land under the pretext of collateral, will be treated as traitors and criminals.” These two ordinances were enforced and remained in effect until the Manchurian Incident came about in 1931.

In July 1929 the Fengtian provincial government enacted the Provisional Ordinance Prohibiting the Theft and Sale of Land. It proceeded to convey secret orders to local officials within its jurisdiction, to execute or impose heavy fines on persons who mortgaged or leased land to foreign

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<sup>7</sup> Carnegie, *op. cit.*, 163.

<sup>8</sup> Commission of Enquiry, Earl of Lytton, *op. cit.*, 54.

nationals. This law was applied retroactively. The 1915 Sino-Japanese Treaty had been reduced to empty words; it was now completely impossible for Japanese to exercise their commercial leasing rights in southern Manchuria.

There is no doubt that China's treacherous national policy, or more accurately, double-dealing diplomacy, whereby the Chinese openly concluded international treaties while secretly obstructing them, was the main cause of the commercial-lease dispute between the two nations.

### **China's sweeping anti-Japanese educational policy**

As the GMD became better organized and its activities more robust, so did the anti-Japanese movement. Prior to the Manchurian Incident, the anti-Japanese movement had become a joint activity of the national government and private sector, implemented in accordance with the government's revolutionary diplomacy. Now almost an absolute national policy, anti-Japanese sentiment had deeply permeated all sectors of the population and all levels of society.

The Nationalist government in Nanjing was primarily responsible for enacting laws and issuing instructions encouraging or enforcing anti-Japanese sentiment. By requiring the inclusion of anti-Japanese education programs in schools and anti-Japanese propaganda in the military, and requiring the singing of both civilian and military anti-Japanese songs, it planted staunch anti-Japanese sentiment in the minds of the Chinese people. Needless to say, there was no place in anti-Japanese education for facts that revealed China's own guilt or faults, which were distorted or concealed. Emphasis was placed on the enumeration of grossly exaggerated Japanese acts of "oppression," which antagonized ignorant soldiers and confused innocent children.

Since the children who were subjected to anti-Japanese education would, after a few years, or even a dozen years, become China's leaders, the realization of the harm these programs could inflict was terrifying.

Anti-Japanese accounts were scattered throughout textbooks covering a wide range of subjects, including geography, history, Chinese language, singing, civics, social studies, and common sense. The central theme in each account was the overthrow of Japanese imperialism. Specific anti-Japanese topics included the following:

- (1) Abolition of unequal treaties
- (2) Injustice of the Treaty of Maguan (Shimonoseki), which ended the First Sino-Japanese War
- (3) Losses inflicted on China by the Boxer Protocol
- (4) Censure of 1915 negotiations between Japan and China over the Twenty-One Demands
- (5) Assertion that the Ryukyu Islands, Taiwan and Korea are Chinese territory
- (6) Demand for the return of the Guandong Leased Territory
- (7) Advocacy of commemorating May 3, 9, and 30 as days of national humiliation
- (8) Opposition to Japanese inroads into Manchuria and Mongolia
- (9) Withdrawal of consular jurisdiction
- (10) Strong support for tariff autonomy
- (11) Opposition to the granting of the right of navigation in inland rivers

- (12) Chinese losses caused by Japanese enterprises (railroads, mining, and the spinning industry)
- (13) Rejection of Japanese currency
- (14) Advocacy of the use of Chinese currency.

Anti-Japanese teaching materials maintained that “the Japanese people are aggressive by nature,”<sup>9</sup> and that “to the south of Kyushu lie the Ryukyu Islands, Taiwan, and the Penghu Islands. Several decades ago, all of these belonged to China. The Korean peninsula, located northwest of Kyushu, was also stolen from our country.”<sup>10</sup> Since Chinese students were taught that the Japanese are born aggressors, and that not only the Ryukyu Islands, but also Korea, are Chinese territory, it is only natural that they would come to harbor fierce anti-Japanese views.

On an everyday basis, anti-Japanese activists dispersed anti-Japanese handbills, spread rumors, intimidated, assaulted, and threatened Japanese who were simply walking down the street, going to and from school, or shopping. They disrupted train service, and using both tangible and intangible means, disrupted every aspect of the lives of Japanese residents.

### 300 unresolved problems between Japan and China

As the anti-Japanese movement gained momentum, incident after incident arose — too many to enumerate. Typical were anti-Japanese acts committed by Chinese troops, interference with railway operation, and clashes between Japanese and Chinese officials prior to the Manchurian Incident. According to a survey conducted by the Guandong Army’s Operation Section, the number of incidents having some connection to Manchuria or Mongolia occurring during the period from January 1927 to December 1930 are shown below.<sup>11</sup>

Year	Number of incidents
1927	31
1928	37
1929	77
1930	95
TOTAL	240

Additionally, more than 300 similar problems, including attacks on and persecution of Korean residents in Manchuria were still unresolved when the Manchurian Incident broke out.

The situation in Manchuria had become so toxic and precarious that the very tiniest of sparks might easily have set off a huge explosion. It was amid such an atmosphere in the early summer of 1931 when the Wanbaoshan Incident, which involved a dispute between Japanese and Chinese authorities over the persecution of Korean farmers, erupted. The incident itself did not stand out

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<sup>9</sup> *Xin zhonghua lishi keben gaojiyong di si ce* (New advanced Chinese history textbook: vol. 4).

<sup>10</sup> *Gaoji dili keben di si ce* (New advanced Chinese history textbook, vol. 4).

<sup>11</sup> *Gendaishi shiryō II* (Documents pertaining to modern history) (Tokyo: Misuzu Shobō, 1965).

in the context of the many events of the past few years. However, exaggerated news reports caused violent riots in Korea, which in turn gave rise to even more vehement anti-Japanese activity in China. None of these problems were resolved prior to the outbreak of the Manchurian Incident.

### **Murder of Captain Nakamura necessitates action**

Not long before the Manchurian Incident, Army Capt. Nakamura Shintarō, a member of the Operations Section, was killed by Chinese troops. About his murder, the Lytton Report states, “The Nakamura case, more than any other single incident, greatly aggravated the resentment of the Japanese and their agitation in favour of forceful means to effect a solution of outstanding Sino-Japanese difficulties in regard to Manchuria.”<sup>12</sup>

On June 9, 1931 Capt. Nakamura, accompanied by Reserve Cavalry Sgt. Isugi Nobutarō, as well as a White Russian and a Mongolian, set out on a southward journey, a strategic military geographic survey. His party boarded the southbound Chinese Eastern Railway at Irkut Station, traveled to Xing’anling, and then continued southward. On June 26, east of Suolun, the men were captured by Chinese troops from the 3<sup>rd</sup> Regiment of the Reclamation Army, commanded by Guan Yuheng. On June 27 Capt. Nakamura’s party was murdered by Guan and his men. Their bodies were burned in an attempt to destroy evidence.

On July 17 Uematsu Kikuko, Guan Yuheng’s Japanese mistress, relayed information about the murder to the Japanese consul at Qiqihar. The Guandong Army had opened an investigation in the beginning of July when Capt. Nakamura failed to arrive at his destination as scheduled. Toward the end of July its representatives got to the heart of the matter after having interviewed Uematsu. The Guandong Army immediately entered into negotiations with Chinese officials in Fengtian, and attempted to set an investigation in motion, but the central government refused to grant its approval.<sup>13</sup> The negotiations were transferred from the military to diplomatic officials, with whom negotiations commenced on August 17. The Chinese promised to conduct an investigation of the murder, but proceeded to drag their feet. They failed to act in good faith, and to make matters worse, also oversaw the publication of newspaper coverage claiming that accusations that Capt. Nakamura had been murdered were baseless. Foreign Minister Wang Zhengting also insisted that there had been no such incident. He added that since Manchuria was full of Japanese troublemakers, one of them had probably fabricated the story of the murder. Guandong Army officials reacted to such behavior by becoming even more resolute in their stance. Newspapers in Japan excoriated the Chinese for their unjust behavior, and their counterparts in Dalian castigated the Japanese government for its inaction. In late August 1931 Manchuria was “practically in a state of war.”<sup>14</sup> The situation was extremely tense, and as the proverb tells us, “coming events cast their shadows before them.”<sup>15</sup> The final resolution was near.

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<sup>12</sup> Commission of Enquiry, Earl of Lytton, *op. cit.*, 65.

<sup>13</sup> Katakura Tadashi, *Kaisō no Manshūkoku* (Reminiscences of Manzhouguo) (Tokyo: Keizaiōraisha, 1978).

<sup>14</sup> Usui Katsumi, *Manshū jihen* (Manchurian Incident) (Tokyo: Chūō Kōronsha, 1974).

<sup>15</sup> Katakura, *op. cit.*

By the time Northeast Army Chief of Staff Rong Zhen awakened to the importance of the situation, and admitted that Capt. Nakamura had indeed been murdered, it was 3:00 p.m. on September 18. As the Chinese had acknowledged that a crime had been committed, arrangements were made for the negotiations to proceed to the next level. But by then, it was too late. That night saw the unfolding of the Liutiaogou Incident.