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JUDGMENT
INTERNATIONAL MILITARY TRIBUNAL FOR THE FAR EAST

PART B
CHAPTER V

JAPANESE AGGRESSION AGAINST CHINA
SECTIONS I & II

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PART B

CHAPTER V

JAPANESE AGGRESSION AGAINST CHINA

SECTION I. INVASION & OCCUPATION OF MANCHURIA

THE CHINA WAR AND ITS PHASES.

The war which Japan waged against China, and which the Japanese leaders falsely described as the "China Incident" or the "China Affair", began on the night of 18 September 1931 and ended with the surrender of Japan in Tokyo Bay on 2 September 1945. The first phase of this war consisted of the invasion, occupation and consolidation by Japan of that part of China known as Manchuria, and of the Province of Jehol. The second phase of this war began on 7 July 1937, when Japanese troops attacked the walled city of Wiping near Peiping following the "Marco Polo Bridge Incident", and consisted of successive advances, each followed by brief periods of consolidation in preparation for further advances into Chinese territory. Some of the Accused were active in this war from the very beginning, some participated as the war progressed. SHIRATORI stated during the course of his lecture, "The Trend of the Great War", which was published in the Diamond Magazine for June 1940, "It is not too much to say that the fuse of the European War was first attached by the China incident."

JAPAN'S FOOTHOLD IN MANCHURIA AT THE BEGINNING OF THE CHINA WAR.

The position of Japan in Manchuria as at 18 September 1931 is described by the Lytton Commission in terms with which the Tribunal entirely agrees: "These

trasties and other agreements gave to Japan an important and unusual position in Manchuria. She governed the leased territory with practically full rights of sovereignty. Through the South Manchurian Railway, she administered the railway areas, including several towns and large sections of such populous cities as Mukden and Changchun; and in these areas she controlled the police, taxation, education, and public utilities. She maintained armed forces in many parts of the country: the Kwantung Army in the Leased Territory, Railway Guards in the railway areas, and Consular Police throughout the various districts. This summary of the long list of Japan's rights in Manchuria shows clearly the exceptional character of the political, economic and legal relations created between that country and China in Manchuria. There is probably nowhere in the world an exact parallel to this situation, no example of a country enjoying in the territory of a neighboring State such extensive economic and administrative privileges. A situation of this kind could possibly be maintained without leading to incessant complications and disputes if it were freely desired or accepted on both sides, and if it were the sign and embodiment of a well-considered policy of close collaboration in the economic and in the political sphere. But, in the absence of these conditions, it could only lead to friction and conflict."

The situation was not "freely desired and accepted on both sides", and the fiction inevitably followed. By the use of force or the threat of force, Japan had secured concessions from China in the days of her weakness; the resurgent nationalism of China

resented the losses which the decadent Empire of China had been unable to avoid. A more powerful factor, and ultimately the decisive factor in producing the friction, began to emerge as Japan, no longer satisfied with the rights she had gained, sought their enlargement on a scale which in the end involved the conquest of Manchuria. This policy on the part of Japan to seek enlargement of her rights and interests in China was first authoritatively announced in the time of the Tanaka Cabinet.

THE TANAKA CABINET AND ITS "POSITIVE POLICY"

The political atmosphere had been tense in Japan before the formation of the Tanaka Cabinet, which came into power in 1927 advocating the so-called "Positive Policy" toward China. The military group attributed what they termed the weakened condition of Japan at that time to the liberal tendencies of the Government as evidenced by the "Friendship Policy" advocated by Foreign Minister Shidehara. The "Friendship Policy," which was thus displaced, had been in force since the Washington Conference of 1922. The "Positive Policy" advocated by Premier Tanaka, was to expand and develop the special rights and privileges, which Japan claimed to have acquired in Manchuria, through collaboration with Manchurian authorities, especially Marshal Chang Sze-lin, the Commander-in-Chief of the Chinese North-Eastern Frontier Army and Chief of the administration of Manchuria and Jehol. Premier Tanaka also declared that although Japan would respect the sovereignty of China over Manchuria and would do everything possible to enforce the "Open Door Policy" in

China, she was fully determined to see that no state of affairs arose in Manchuria which would disturb the local tranquility and put Japan's vital interests in jeopardy. The Tanaka Government placed great emphasis upon the necessity of regarding Manchuria as distinct from the rest of China and declared that, if disturbances spread to Manchuria and Mongolia from other parts of China, Japan would defend her interests in those districts by force. The policy thus involved an expressed intention to secure further rights in a foreign country and an implied claim of right to preserve internal peace and order in that foreign country.

AGITATION IN SUPPORT OF THE "POSITIVE POLICY"

Such organizations as the Kokurtukai (Black Dragon Society) and the Kokuhonsha (Foundation of the State Society) as well as such writers as Dr. Okawa (the former accused) agitated strongly in Japan for the enforcement of Japan's special rights and privileges in China by force of arms if necessary.

The Black Dragon Society had been formed on 3 February 1901 at Kanda, Japan, to promote nationalism and anti-Russian and anti-Korean sympathies. It had advocated annexation of Korea, and in general supported the expansionist aspirations of Japan.

The Foundation of the State Society had been formed on 30 December 1920 to foster the spirit of nationalism and disseminate propaganda. It kept in close touch with the military and published a magazine to present its ideas to the public. KIRIYAMA was President and KOISO and ARAKI were Members of the Society.

Dr. Okawa was a trusted employee of the South

Manchurian Railway Company, and had been a Director of the East Asia Research Institute established by the Railway Company to study the economic situation in Manchuria. He had published several books before the formation of the Tanaka Cabinet. "Sato Shinsen's Ideal State", published by him in 1924 stated: that according to Sato, Japan being the first country in the world to be created, it was the foundation of all nations and therefore had the divine mission to rule all nations. The book advocated the occupation of Siberia to prevent the southward advance of Russia, and the occupation of the South Sea Islands to prevent the northward advance of Britain. He published, "Asia, Europe and Japan", in 1925. In that book he maintained that the League of Nations was organized to maintain eternally the status quo and further domination of the World by the Anglo-Saxons. He predicted that a war between the East and the West was inevitable. Providence was trying to elect Japan as the champion of Asia, he asserted. Japan should endeavor to fulfill that sublime mission by developing a strong materialistic spirit, he advised. Dr. Okawa had been the organizer of many societies including the Koshisha, one principle of which was the liberation of the colored races and the unification of the world. The political philosophy of Dr. Okawa had appealed to certain of the Military who had adopted him as their spokesman among the civilians and often invited him to deliver lectures at the Army General Staff meetings. Dr. Okawa became intimately acquainted with the accused KOISO, ITAGAKI, DOHARA and other Army leaders.

THE TAINAN INCIDENT

Marshal Chang Tso-lin, having declared Manchuria independent of the Central Government of China at the time of the Washington Conference and made himself master of Manchuria, decided to extend his authority further into China proper and moved his headquarters to Peking. The policy of the Tanaka Cabinet, depended on the success of the Marshal in maintaining his leadership in Manchuria. Premier Tanaka repeatedly advised the Marshal to abandon his ambitions to extend his authority outside Manchuria; but the Marshal resented and refused this advice. Civil war between Chang Tso lin and the Nationalist Government of China followed. In the spring of 1928, when the nationalist armies of Generalissimo Chiang Kai-shek were marching on Peking and Tientsin to drive out the army of Chang Tso-lin, and force it back into Manchuria, Premier Tanaka issued a declaration to the effect that Japan would maintain peace and order in Manchuria and was prepared to prevent a state of affairs which would endanger the interests of Japan in Manchuria. The Premier then sent a message to the Chinese generals in effect telling them that the Japanese would oppose any invasion of Manchuria, including the definite statement that the Japanese would prevent defeated troops or those in pursuit from entering Manchuria. Even before the civil war spread to Manchuria, Japanese troops were sent to Tainan in Shantung Province. A conflict ensued known as the Tainan Incident, which aroused public opinion in Japan in favor of protection of Japanese rights in Manchuria. The Black Dragon Society held mass-meetings all over Japan in an effort to fan national resentment against China to the war pitch.

Constitution, as well as the terms approved by the Cabinet for the settlement of the Tainan Incident, which they claimed were a disgrace to Japan, as opportunities to embarrass the Cabinet. The pressure became so great that on 1 July 1929 the Cabinet resigned.

The resignation of the Tanaka Government was a distinct victory for the Military and their civilian spokesman, Dr. Okawa. From this time on, the influence of this element on government policies was to become stronger, and their insistence that Japan should occupy Manchuria by force and establish a puppet government there was to bear fruit. Dr. Okawa became recognized as a political leader; and the South Manchurian Railway Company officials, realizing his value to them, divorced the East Asia Research Institute from the Company and created a Foundation in July 1929 to assist him in his work of investigating and molding public opinion in support of the Army's plan to occupy Manchuria.

REINSTATEMENT OF THE "FRIENDSHIP POLICY"

The Hamaguchi Cabinet, which followed the Tanaka Cabinet was formed, on 2 July 1929; and Baron Shidshara, who continued to advocate the "Friendship Policy" toward China, was selected by Premier Hamaguchi as his Foreign Minister. The "Friendship Policy" rested upon good will and friendship as distinguished from the "Positive Policy" of the Tanaka Cabinet, which rested upon the threat of military force. As a result of the "Friendship Policy", Chinese boycotts of Japanese trade steadily decreased and normal peaceful relations might have prevailed but for violent agitation on the part of the Military.

MURDER OF MARSHAL CHANG TSO-LIN

Marshal Chang Tso lin had not only disregarded the advice of Premier Tanaka in attemptint to extend his authority south of the Great Wall, but had shown increasing unwillingness to allow Japan to exploit China by the privileges she derived from various treaties and agreements . This attitude of the Marshall had caused a group of officers in the Kwantung Army to advocate that force should be used to promote the interests of Japan in Manchuria and to maintain that nothing was to be gained by negotiating with the Marshal; however, Premier Tanaka continued to collaborate with the Marshal, relying upon the threat of force rather than its actual use to attain his objectives. This resentment of the marshal by certain officers of the Kwantung Army became so intense that a senior staff officer of that army, Colonel Kawamoto, planned to murder the Marshal. The purpose of the murder was to remove him as the obstacle to the creation of a new state in Manchuria, dominated by Japan , with the Marshal's son, Chang Hsueh - liang, as its nominal head.

In the latter part of April 1928, the Marshal was defeated by the nationalist armies of Generalissimo Chiang Kai-shek. Premier Tanaka advised him to withdraw into Manchuria behind the Japanese lines before it was too late. The Marshal resented this advice, but was forced to follow it. The Kwantung Army, in accordance with Tanaka's declaration, that Japan would prevent defeated troops from entering Manchuria, was engaged in disarming Chinese troops retreating toward Mukden from Peking. The Marshal, with his bodyguard, boarded a train for Mukden. The Japanese 20th Engineer Regiment, which had arrived at Mukden from Korea, mined the railroad with dynamite and a Japanese Captain placed his

soldiers in position around the mine. On 4 June 1928, when the Marshal's train reached the mine, which was located at the point where the Peking-Mukden Railway passes underneath the South Manchurian Railway, there was an explosion. The Marshal's train was wrecked and Japanese soldiers began firing upon the Marshal's bodyguard. The Marshal was killed as planned. An attempt was made to obtain an order to muster the entire Kwantung Army into action and exploit the incident and attain its original purpose, but the effort was thwarted by a staff officer who apparently did not understand the real purpose of those desiring the issuance of the order.

The Tanaka Cabinet was taken by surprise and greatly embarrassed as it saw its program endangered by this murder of the Marshal. Premier Tanaka made a full report to the Emperor and obtained his permission to court-martial those responsible. Upon his return from the palace, he summoned the Minister of War and other members of his Cabinet and stated that he was determined to discipline the Army. Those present agreed, but when the Minister of War took the matter over with his Ministry, he suggested that strong opposition on the part of the General Staff should be encouraged. Thereafter, the Minister of War reported to the Premier that the opposition of the Army General Staff was based on the idea that to court-martial those responsible would force the Army to make public some of its military secrets. This was the first time, according to the testimony of former Navy Minister Okada, that the Army had projected itself into the formulation of government policy.

It was at this time that ICHIHARA appeared upon a scene in which he was to play an important part. He had

spent approximately eighteen years in China prior to the murder of Marshal Chang Tso-lin as aide to General Benzai, who had acted as advisor to various Chinese leaders. On 17 March 1938, DOHARA had requested and received permission from the Emperor to accept an appointment as aide to Matsui, Kamas, who was advisor to the Marshal. DOHARA reported for duty under the appointment and was present in Manchuria when the Marshal was killed.

MARSHAL CHANG HSUEH-LIANG, THE YOUNG MARSHAL

The Young Marshal, Chang Hsueh-liang, succeeded his father; but he proved to be a disappointment to the Kwantung Army. He joined the Kuomintang Party in December 1938; and anti-Japanese movements began to be promoted on an organized scale and gained greatly in intensity. The movement for the recovery of Chinese national rights gained strength. There was a demand for the recovery of the South Manchurian Railway and in general for the limitation of the Japanese influence in Manchuria.

In July 1938, soon after the murder of Marshal Chang Tso-lin Premier Sasaki had sent a personal representative to negotiate with the Young Marshal. The representative had been instructed to inform the Young Marshal that Japan regarded Manchuria as her outpost and that the Japanese Government would like to cooperate with him "behind the scenes" and was prepared to spare no sacrifice under the Cabinet's "Positive Policy" to prevent an invasion of Manchuria by the Chinese Nationalist Armies. The Young Marshal's answer was to join the Kuomintang as related.

JAPANESE-CHINESE RELATIONS STRAINED

Japanese-Chinese relations in Manchuria became extremely aggravated. The Japanese claimed several viola-

tions of the "Trade Treaty" with China. The Chinese proposal to construct a railroad parallel to the South Manchurian Railroad, the claim that there was illegal taxation of Japanese in Manchuria, the claim of oppression of Koreans, and the denial of the right of Japanese subjects to lease land in Manchuria, were all "Manchurian Problems" according to the Japanese agitators. The Military advocated Japanese occupation of Manchuria. They maintained that diplomatic negotiations were useless and that armed force should be used to drive the Chinese from Manchuria and set up a new regime under Japanese control. IWAGAKI, who had been appointed a staff officer of the Kwantung Army in May 1928, was one of those who advocated the use of force. Dr. Okawa, who had visited Marshal Chang Hsueh-liang and attempted to negotiate with him in behalf of the South Manchurian Railway, returned to Japan and engaged in a tour of over fifty prefectures in April 1929 giving lectures and showing pictures. The Army General Staff, of which MINAMI was Vice-Chief, began to cooperate with Dr. Okawa and to aid him in his propaganda program to instigate the people to take action against China. The Army General Staff also began to study plans for operations in Manchuria and to declare that Manchuria was the "lifeline" of Japan.

RESIGNATION OF THE TANAKA CABINET

The efforts of the Tanaka Cabinet to punish those responsible for the murder of Marshal Chang Tso-lin had alienated the Military. This group had joined with Dr. Okawa to create opposition among the civilians to the Cabinet, and had seized upon the signing of the Kellogg-Briand Pact (Annex No. 2-15) , which they claimed violated the Japanese

Constitution, as well as the terms approved by the Cabinet for the settlement of the Tainan Incident, which they claimed were a disgrace to Japan, as opportunities to embarrass the Cabinet. The pressure became so great that on 1 July 1929 the Cabinet resigned.

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HASHIMOTO AND THE CHEERY SOCIETY

In his book, "The Road to the Reconstruction of the world", HASHIMOTO, in discussing his tour of duty of three years in Istanbul as Military Attache, discussed the political condition of other countries and said: "I was clearly conscious that Japan was the only country within the whirlpool of world movement that stood within the bounds of liberalism. I considered if Japan goes on under the present condition, she would drop from the ranks in the community of nations. At this time, fortunately, I was ordered to go back (to Japan). During my thirty days' voyage, I pondered on how to reform Japan and as a result, I succeeded in drawing a definite plan to a certain degree. On returning to the Army General Staff Office, my former haunt, I devised several

"scholar in order to put my ideas into execution." HASHIMOTO was attached to the Army General Staff on 30 January 1930.

Between 1-10 September 1930, a score or more of army captains who had recently graduated from the Army Staff College, met at the Army Club in Tokyo under the sponsorship of Lt. Colonel HASHIMOTO and decided to organize a research organization to study Manchurian and Mongolian questions and the internal reorganization of the country. The Society's ultimate objective was later announced to be national reorganization, by armed force if necessary, in order to settle the so-called "Manchurian Problem" and other pending issues. The name "Sakurukai" (Cherry Society) was given to the organization; and its membership was limited to army officers on the active list with the rank of Lt. Colonel or under, who were concerned about national reorganization.

MANCHURIA AS JAPAN'S "LIFELINE"

Dr. Okawa, with the aid of the East Asia Research Foundation and the officers of the Army General Staff, had his propaganda campaign in full blast when HASHIMOTO returned to the General Staff Office. Propaganda was being disseminated through the Newspapers and other media to establish the idea that Manchuria was Japan's "Lifeline", and that a stronger policy in connection therewith should be adopted. The military leaders issued instructions that all editorial writers, ultr-nationalistic speakers, etc., should unite to establish public opinion for more aggressive action in Manchuria. The Military argued that Manchuria was Japan's

"lifeline" , and that Japan must expand into Manchuria, develop it economically and industrially, set it up as a defense against Russia, and protect the rights of Japan and its nationals there as Japan was entitled to do under existing treaties. An appeal to emotion was made; it being said that Japanese blood had been shed in Manchuria in the Russo-Japanese War, and that by reason of that sacrifice, Japan was entitled to control Manchuria. The railroad question was still a burning issue; and Dr. Okawa insisted that Manchuria should be separated from Hanking and placed under Japanese control to create a land founded on the "Kingly Way".

HASHIMOTO in his book, "The Inevitability of Renovation", has explained well the meaning of the term "Kingly Way". He said: "It is necessary to have politics, economics, culture, national defense, and everything else, all focused on one, the Emperor , and the whole force of the nation concentrated and displayed from a single point. Especially the political, economic and cultural lines which had been organized and conducted by liberalists and socialists in the past should be reorganized according to the principle of oneness in the Imperial Way, that is to say 'Kodo Ittai Shugi'. This system is the strongest and the grandest of all. There are many countries in the world, but there is absolutely no nation that can compare with our national blood solidarity which makes a unification like ours with the Emperor in the center."

It was Okawa's idea that after an independent Manchuria had been established on the "Kingly Way", with an inseparable relation between Manchuria and Japan, Japan could assume the leadership of the peoples of Asia.

A General Investigation Section was created in the General Staff on 1 April 1930, as the Investigation Section of the Kwantung Army was considered insufficient to probe into the resources of Manchuria, the sentiments of the people and other kindred subjects of investigation.

Around the headquarters of the Kwantung Army at Port Arthur, the chief topic of conversation among the staff officers in those days was the "Manchurian Problem". ITOGAKI, who was one of those staff officers, had some definite ideas for solving the problem, which he expressed to a friend during the month of May 1930. ITOGAKI said that there were many unsolved problems between China and Japan, that they were so serious that they could not be solved by diplomatic means, and that there was no alternative but to use force. He expressed the opinion that Marshal Chang Hsueh-liang should be driven from Manchuria so that a new state might be established in accordance with the principles of the "Twenty-One Demands".

ASSASSINATION OF PREMIER HAMAGUCHI

On 4 November 1930, Premier Hamaguchi was on the platform of the Tokyo Railway Station when, in the words of Foreign Minister Shidehara, "He was shot by a silly young man". The Premier was not killed instantly; but his wound was such that it was necessary for Foreign Minister Shidehara to act as Prime Minister until the Hamaguchi Cabinet resigned on 13 April 1931. The Premier succumbed to his wounds and died on 23 August 1931. Acting Prime Minister Shidehara caused an investigation to be made and determined that the assassination of Premier Hamaguchi was caused by dissatisfaction with the Premier's

Naval Disarmament Policy.

The London Naval Limitations Treaty had been signed on 22 April 1930. This treaty was in line with the policy of national economy and reduction of armaments which accompanied the Premier's "Friendship Policy". Also in line with this policy was the reduction of the Army from 21 Divisions to 17 Divisions. The signing of the London Treaty made the young navy officers indignant. The Black Dragon Society began to hold mass-meetings in protest. The Privy Council, of which HIRAYAMA was Vice-President was strongly against the Treaty and was taking the attitude that the Cabinet had usurped the powers and prerogatives of the Military in concluding the Treaty. It was in the midst of this violent political argument that the assassination had occurred.

THE MARCH INCIDENT

A military coup d'etat was planned to occur on 20 March 1931. The affair came to be known as the "March Incident". The continual agitation and dissemination of propaganda by the Army General Staff had its effect; and as testified to by Baron Okada, who was a member of the Supreme War Council at that time, it was generally understood that it was only a question of time until the Army would undertake the occupation of Manchuria. Before the Army could move into Manchuria, it was thought necessary to place in power a government favorable to such action. At the time, the Hara Cabinet was in power; and due to the attempted assassination of the Premier, the chief exponent of the "Friendship Policy", namely Foreign Minister Gidehara, was acting as Premier.

HASHIMOTO's plan, which was approved by his superior officers of the Army General Staff including Ninomiya, who was Vice-Chief of the Staff, and Tatekawa, who was Chief of the Second Division of the Staff, was to start a demonstration as an expression of disapproval of the Diet. It was expected that a clash would occur with the Police during the demonstration and that this clash could be expanded until the disorder would justify the Army in establishing martial law, dissolving the Diet and seizing the Government. KOISO, Ninomiya, Tatekawa and others called upon War Minister Ugaki at his Official Residence and discussed their plans with him, leaving with the impression that he was a ready tool for their scheme. Dr. Okawa was instructed to proceed with the mass demonstration; and HASHIMOTO delivered to him 300 practice bombs, which KOISO had secured for use on that occasion. They were to be used to spread alarm and confusion in the crowd and increase the appearance of riot. However, Dr. Okawa in his enthusiasm addressed a letter to War Minister Ugaki in which he stated that the time was just ahead for a great mission to descend upon Minister Ugaki; the War Minister now realized the full import of the plot. He immediately called in KOISO and HASHIMOTO and instructed them to stop all further plans to use the Army to carry out this revolution against the Government. The projected coup d'etat was averted. KIDO, who was then the Chief Secretary to the Lord Keeper of the Privy Seal, was fully informed of the plot beforehand by a friend, who suggested that the Imperial Household should be advised.

THE WAKATSUKI CABINET CONTINUED THE "FRIENDSHIP POLICY"

Although the "March Incident" hastened the fall of the Hamaguchi Cabinet, which was followed on 14 April 1931 by the formation of the Wakatsuki Cabinet, it did not succeed in displacing the "Friendship Policy" fostered by Baron Wakatsuki. General MIHANI, who had been a War Councillor since his relief as Commander of the Korean Army, was selected as War Minister. He replaced General Ugaki, who was in disgrace with the Army for having reduced the size of the Army and for having refused to take part in the "March Incident". Ugaki resigned from the Army and went into retirement.

THE MANPOUSHAN INCIDENT

The "Friendship Policy" was destined to be put to further tests, by two "Incidents", which had far-reaching effect upon opinion in Japan. The first of these "Incidents" occurred at Manpoushan, a small village located some 18 miles north of Changchun, in Manchuria. The village is located in a low marshy area alongside the Itung River. A group of Koreans leased a large tract of land near Manpoushan and prepared to irrigate the land by digging a ditch several miles long, extending from the Itung River across a tract of land, not included in their lease, and occupied by Chinese farmers. After a considerable length of the ditch had been constructed, the Chinese farmers arose en masse and protested to the Manpoushan authorities, who dispatched police and ordered the Koreans to cease construction at once and leave the area occupied by the Chinese. The Japanese Consul at Changchun also sent police to protect the Koreans. On 1 July 1931 after

negotiations had produced no results, the Chinese farmers took matters into their own hands and drove the Koreans from their lands and filled the ditch. During this operation, Japanese Consular Police opened fire on the Chinese farmers and drove them away, while the Koreans returned and completed their irrigation project under the protection of the Japanese police. No casualties resulted from this "Incident", but the sensational accounts of it printed in the Japanese and Korean Press caused a series of anti-Chinese riots in Korea in which Chinese were massacred and their property destroyed, which in turn caused a revival of the anti-Japanese boycott in China.

About this time, the War Ministry invited officials of the South Manchurian Railway Company to discuss "Manchurian Problems". At the discussions, HIRAWA represented the Army and stated that he had long recognized the necessity of increasing the number of divisions in Korea.

THE MAKAMURA INCIDENT

The killing of a Japanese army captain by the name of Makamura, Shintaro, on 27 June 1931 by soldiers under the command of Kuan Yeheng, Commander of the Third REGIMENT of the Chinese Reclamation Army in Manchuria, which killing did not become known to the Japanese until about 17 July 1931, gave rise to the second "Incident". Captain Makamura, a regular Japanese army officer, was on a mission under the orders of the Japanese Army. According to the Chinese, he was armed and carried patent medicine, which included narcotic drugs for non-medical purposes. He was accompanied by three interpreters and

assistants and represented him self as an "Agricultural" Expert. When he reached a point near Taonan, he and his assistants were captured and shot; and their bodies were cremated to conceal the evidence of the deed. This "incident" greatly aggravated the resentment of the Japanese Military against the "Friendship Policy"; and the Japanese Press repeatedly declared that "Solution of the Manchurian Problem ought to be by force".

THE ARMY ATTITUDE STIFFENED

The Army stiffened its attitude in regard to reduction of armaments and the plan of the Finance Department to secure loans, and threatened to appeal to the Throne. The Foreign Minister was bitterly assailed in the Press and by ultra-nationalists and the militarists for "Shidehara's weak-kneed foreign policy". The Cherry Society continued its agitation for the use of force. The Black Dragon Society held mass-meetings. Dr. Okawa stepped up the tempo of his propaganda. He was conducting a campaign of public speeches and publications to build up sentiment in support of the movement to occupy Manchuria. He made a speech along this line at the Naval Academy. The Army was completely out of control and could not be restrained. The Chiefs of Staff held a conference and decided that since one could not tell what Marshal Cheng Hsueh-liang would do, he should be smashed firmly and without hesitation. Dr. Okawa confided in a friend that he and Colonel ITAKI and certain other army officers would "bring about an 'Incident' in Mukden later on that would solve all "Manchurian Problems". KIDO admits that Baron Kureda informed him of a

led to this end on the part of the military officers in Manchuria as early as 23 June 1931.

On 4 August 1931, MIYAMI addressed a conference of Army Commanders and Commanding Generals. He said, "Some observers, without studying the conditions of neighboring foreign countries, hastily advocate limitation of armaments and engage in propaganda unfavorable to the nation and the Army. Manchuria and Mongolia are very closely related to our country from the viewpoint of our national defense as well as politics and economics. It is to be regretted that the recent situation in that part of China is following a trend unfavorable to our Empire. In view of the situation, I hope you will execute your duty in educating and training the troops with enthusiasm and sincerity so that you may serve the cause of His Majesty to perfection."

The Citizens' Disarmament League took issue with MIYAMI on this speech and addressed a letter to him in which they accused him of spreading propaganda in the Army in violation of the Military Criminal Code.

Lt. Colonel HASHIMOTO and Lt. Colonel Shigeto, who was also a member of the Cherry Society, dined at the home of a friend, Fujita, in Tokyo, during August 1931. During the course of the meal, the "Manchurian Problem" was discussed and the two Lt. Colonels agreed that positive action should be taken in Manchuria. A few days later, Lt. Colonel Shigeto appeared at the home of Fujita and deposited a large sum of money for safekeeping. During the following days this fund was drawn upon Shigeto in varying amounts. After the "Mukden Incident", Fujita called at the home of Shigeto and exclaimed, "You have accomplished what you were contemp -

lating in Manchuria!" Shigeto replied, "Yes!" and smiled; he then added, "We expel Chang Hsueh-liang from Manchuria and bring Fu Yi to Manchuria and install him as Governor of the Far Eastern Provinces!" Upon questioning HASHIMOTO, Fujita received the reply, "Yes, things have come to pass where they should come!"

DOHIRARA INVESTIGATED

Colonel DOHIRARA, who had been attached to the Army General Staff since his return from China in March 1929, was sent by the Chief of the General Staff to investigate the death of Captain Nakamura. Although his mission was ostensibly to investigate Captain Nakamura's death, his real mission appears to have been to determine the strength, state of training and condition of the Chinese armies and the efficiency of their communication system. He departed from Tokyo in July, 1931 and traveled by way of Shanghai, Hankow, Peiping and Tientsin before reporting to Mukden. He admits that the investigation of the Nakamura Incident was only one of the missions that took him to China. Although the Headquarters of the Kwantung Army was in Port Arthur, the Headquarters of the Special Services Organization of that Army was in Mukden. DOHIRARA arrived at Mukden on 18 August 1931 and took command of the Special Services Organization.

FOREIGN MINISTER SHIDEHARA ALSO INVESTIGATED

Foreign Minister Shidehara, anxious to enforce his "Friendship Policy" in Manchuria and give the Army no occasion to capitalize on the "Nakamura Incident", dispatched Consul-General Hayashi from Tokyo on 17 August 1931 with instructions to investigate and settle the affair. The Consul General called upon the Chinese Governor of Liaoning Province, who appointed a commission to investigate and report upon the "Incident". This

Commission reported on 3 September 1931; but its report was unsatisfactory to the Chinese authorities. On the 4th of September, Consul-General Hayashi was informed by General Yang Chan, the Chinese Chief of Staff, that the report of the Commission was indecisive and unsatisfactory and that it would be necessary to conduct a second inquiry. Marshal Chang Hsueh-liang, who was sick in a hospital in Peiping, was advised of the situation; and he immediately ordered a new Commission to be appointed and instructed to investigate the death of Captain Mukamura. At the same time, he sent Major Shibayama to Tokyo to confer with Foreign Minister Shidehara and make it clear that he desired to settle the case amicably. In the meantime he had sent a high official to Tokyo to confer with Baron Shidehara and ascertain what common ground could be found for the settlement of various Sino-Japanese issues then outstanding.

DOHIMARA REPORTED TO THE ARMY GENERAL STAFF

Colonel DOHIMARA returned to Tokyo early in September to report to the Army General Staff. After his return, the Press freely published references to the fact that it had been decided to use force to settle all pending issues in Manchuria as recommended by DOHIMARA. The Press also stated that conferences were being held between the War Ministry and the Army General Staff to arrange definite instructions to be given to Colonel DOHIMARA. These publications may or may not be factually accurate. They are not officially denied.

They formed the rising flame of Japanese opinion in favoring the use of force against China. It is established that Colonel DONIHARA disagreed with Consul-General Hayashi regarding settlement of the Mukden Incident and continued to question the sincerity of the Chinese efforts to arrive at a satisfactory solution of the case. War Minister MIYAKI later confided in a friend that at the time he had advocated decisive settlement of the "Manchurian Problem" in line with Army opinion. KIDO, as Chief Secretary of the Lord Keeper of the Privy Seal, noted in his diary on 10 September 1931 that he agreed with the theory that "self-defensive" action might be unavoidable in connection with Manchuria according to future developments.

FOREIGN MINISTER SHIDEHARA CONTINUED EFFORTS AT
MEDIATION

Rumors were current in Tokyo that the Army was planning an "Incident" in Mukden, and these rumors were heard by Foreign Minister Shidehara. In fact Shidehara stated, "Shortly before the Manchurian incident, as Foreign Minister, I received confidential reports and information that the Kwantung Army was engaged in assembling troops and bringing up ammunition and material for some military purpose, and knew from such reports that action of some kind was contemplated by the Military Clique."

It now appears from the evidence adduced before this Tribunal - though these facts were not known to Shidehara at the time - that Lieutenant, or Captain ,

Kawakami, who was stationed at Fushun in command of a detached company of the second battalion of the Independent Infantry Garrison had received orders from the Commander in Chief of the Independent Infantry Garrison had received orders from the Commander-in-Chief of the Kwantung Army which involved the absence of himself and his company from Fushun. The remaining companies of this battalion were stationed at Mukden and took part in the attack on the Chinese Barracks at Mukden on the 18th of September. The full content of the orders which Kawakami had received from the Commander in Chief is not established, but they involved that Kawakami and his company should entrain and leave Fushun upon the occurrence of a certain emergency. Thereupon Kawakami assembled the Japanese police, ex-service-men, and civilians at Fushun and asked them what they could do if on 18th September 1931 an event occurred in Mukden which required him and his company to leave Fushun. He is said to have been anxious about the defense at Fushun should he and his company leave that city. He also assembled the officials of the Railway at Fushun. He told them that some acute situation might arise after the 17th of September and that arrangements ought to be made about trains at Fushun. It appears that up till that time no arrangement had been made for having a night train standing by at Fushun to move troops in case of emergency, and Kawakami desired that such provision should be made.

The case for the defense in regard to this most significant affair is that Kawakami had no orders which related specifically to the 18th of September; that his orders were general, to take certain action if and when an emergency occurred; that upon a review of the situation Kawakami speculated that the emergency might occur about the 18th of September; and that this guess,

of his alone accounts for his mention of that date, when speaking to the people at Fushun. Thus, according to the defense, Kawakami guessed the exact date on which the Chinese would deliver a surprise attack on the Japanese troops at Mukden. Upon a consideration of all the facts relating to the incident of 18th September the Tribunal unhesitatingly rejects this explanation and holds that Kawakami had orders to take certain action in an emergency, which would occur on the night of the 18th of September, and was concerned since there was no provision for leaving a train available at Fushun at night.

Upon receiving the report from Hayashi, Shidehara called upon War Minister NIKAMI and strongly protested against the report. In the meantime, SHIGEMITSU was holding conferences with Mr. T. V. Soong, who was Finance Minister of the Republic of China, and they had agreed to meet in Mukden on 20 September 1931 and confer with Marshal Chang Hsueh-liang and Count Uchida, who was President of the South Manchurian Railway Company, in an effort to settle all outstanding differences between Japan and the Marshal.

NIGHT MANEUVERS BY THE KWANTUNG ARMY

The Kwantung Army had begun carrying out night maneuvers on 14 September 1931 in the vicinity of the barracks of the 7th Chinese Brigade. These barracks were located near the tracks of the South Manchurian Railway, a short distance north of Mukden.

The maneuvers involved vigorous rifle and machine-guns fire, and the 10,000 men of the 7th Brigade had been confined to barracks on orders of Marshal Chang Hsueh-liang in order to avoid a clash between them and the Japanese. These maneuvers continued up to and including the night of 18 September 1931.

Mr. Morishima, a member of the staff of the Consulate who had been working with Dayashi in an attempt to settle the Nakamura Incident, learned that the Kwantung Army Units stationed at the important coal mining district of Fushun would execute a maneuver which contemplated the occupation of Mukden, leaving Fushun at about 11:30 p.m. on the night of 18 September 1931.

MARSHAL CHANG HSUEH-LIANG'S COMMISSION RETURNED TO MUKDEN

Marshal Chang Hsueh-liang's Commission, which had been investigating the Nakamura Incident, returned to Mukden on the morning of 18 September 1931. The Japanese-Consul-General called upon General Yang Chen, the Chinese Chief of Staff, on the afternoon of 18 September 1931, and the latter stated that Commander Kuan Tsheng had been brought to Mukden on 16 September 1931 charged with the responsibility for the murder of Captain Nakamura and would be immediately tried by a court-martial. It appeared that the case would be settled. However, the conference between the Consul and General Yang was adjourned at about 8 p.m., because it was felt that since a member of the Military was involved, it would be necessary to confer with appropriate representatives of the Kwantung Army before any further representations could be made to the Chinese officials.

Mr. Morishima, of the Consulate, was detailed to arrange for the attendance of appropriate military representatives at a further conference, which was to be held later in the

evening. He endeavored to contact Colonel DOHARA, and Major Hasegawa; however, he was unable to locate either of them or any other officer of the Special Service Office, although he sought them at their respective hotels, offices, billets and other places which they frequented. He reported this to the Consulate and retired to his quarters.

MINAMI'S EMISSARY, ENI ASIFAY.

General Tatekawa of the Army General Staff arrived in Mukden via the Antung-Mukden Railway at 1:00 p.m. on 18 September 1931. He had been sent to Manchuria to make an inspection for the Army General Staff; and War Minister MINAMI, acting on Foreign Minister Shidehara's protest against the rumor that the Army planned an "Incident" at Mukden for the 18th, had instructed Tatekawa to stop that plot. MINAMI'S denial that he gave this order to Tatekawa is disproved by the subsequent statements of MINAMI and by other statements of Tatekawa. The Kwantung Army Commander Honjo, who had just completed an inspection of his troops and installations, was delivering an address to the 2nd Division at Liaoyang when he received a telegram from his Chief-of-Staff, Miyake, in Port Arthur, informing him of Tatekawa's visit and suggesting that Staff Officer ITAGAKI or Staff Officer Ishihara be detailed to meet Tatekawa and escort him on his inspection tour.

Colonel ITAGAKI was detailed and proceeded from Liaoyang to Mukden; and upon his arrival went to the Shinyoken Inn. DOHARA's assistant, Major Hasegawa, of the Special Service Office in Mukden, met General Tatekawa and escorted him to join Colonel ITAGAKI at the Inn, where Colonel ITAGAKI and he dined that evening. According to ITAGAKI, General Tatekawa complained that he had not been able to rest on his trip and

was not inclined to discuss business immediately, but did state that the superiors were worrying about the careless and unscrupulous conduct of the young officers. To this, IWAGAKI replied that there was no need to worry about that, and that he would hear the General at leisure the next day. After dinner, IWAGAKI took his leave of General Tatakawa and went to the Special Service Office, arriving there about 9 p.m. General Tatakawa later told a friend that he had no desire to interfere with any proposed "Incident" and had allowed himself to be decoyed to the Inn, where he was entertained by geisha girls while he listened to the sound of firing in the distance and later retired and slept soundly until called in the morning.

THE MUKDEN INCIDENT

At 9 o'clock in the evening of 18 September 1931, Officer Liu, at the barracks of the 7th Chinese Brigade, reported that a train composed of three or four coaches, but without the usual type of locomotive, had stopped on the South Manchurian Railway opposite the barracks. At 10 p.m. the sound of a loud explosion was heard, immediately followed by rifle fire. The Japanese account is that Lt. Kawamoto, of the Kwantung Army, with six men under his command, was on patrol duty, practicing defense exercises along the track near the place where the explosion occurred, that he heard the explosion; that his patrol turned and ran back about 200 yards and found that a portion of one of the rails had been blown out; that while on the site of the explosion, the patrol was fired upon from the fields on the east side of the tracks; that Lt. Kawamoto called for reinforcements; that at that moment, the regular southbound train, due in Mukden at 10:30 p.m., was heard approaching; and that the train

passed over the damaged rail without mishap to arrive in Mukden on time. Captain Kawashima and his company arrived at 10:30 p.m. and the Battalion Commander Lieutenant Colonel Shimamoto commanding the Second Battalion of the Independent Infantry Garrison ordered two more companies to proceed to the spot. They arrived about midnight. Another company at Fushun, which was an hour-and-a-half away, was ordered to proceed to the spot also. This is the Company of Kawakami, who had long ago announced that he and his Company would have to leave Fushun on the night of the 16th. The barracks of the 7th Chinese Brigade were glittering with electric lights, but the Japanese attacked the barracks without hesitation at 11:30 p.m., employing artillery as well as rifles and machine-guns. Most of the Chinese soldiers escaped from the barracks and retreated to Arhatze, to the northeast; however the Japanese claim they buried 330 Chinese soldiers and captured 30 wounded. The loss to the Japanese was two privates killed and 22 wounded. Colonel Hirata commanding the 29th Regiment received a telephone message at 10:40 p.m. from Lt. Colonel Shimamoto informing him of the explosion on the railroad and the plan to attack the barracks.

Colonel Hirata immediately decided to attack the walled city of Mukden. His attack commenced at 11:30 p.m. No resistance was offered, the only fighting that occurred was with the police, of whom approximately 75 were killed. The 2nd Division and part of the 16th Regiment left Liaoyang at 3:30 a.m. of the 10th and arrived at Mukden at 5 a.m. The arsenal and aerodrome were captured at 7:30 a.m. Colonel ITAGAKI later admitted that heavy guns, which had been secretly installed in the Japanese Infantry Camp and on the 10th, had proven useful in the bombardment of the airfield after the fighting got under way. After ITAGAKI took leave of General Satokawa, he went to the Special Service Office. There, according to him, he was informed by Colonel Shimamoto of his decision to attack the barracks of the 7th Chinese Brigade and by Colonel Hirata of his

decision to attack the walled city of Mukden. ITAGAKI says that he accepted their decisions and took steps to report to the Commander-in-Chief at Port Arthur.

ITAGAKI REFUSES TO NEGOTIATE

In the meantime, at 10:30 o'clock in the evening of 18 September 1931, Mr. Morishima of the Japanese Consulate, received a telephone call from the Army Special Service Office in Mukden advising him that an explosion had occurred on the South Manchurian Railway and that he should report to the Special Service Headquarters in Mukden. He arrived at 10:45 and found ITAGAKI and Major Hanaya and some others there. ITAGAKI stated that the Chinese had exploded the railroad, that Japan must take appropriate military action, and that orders had been issued to that effect. Mr. Morishima tried to persuade ITAGAKI that they should rely upon peaceful negotiations to adjust the matter. ITAGAKI then reprimanded him and wanted to know if the office of the Consul-General intended to interfere with the right of military command. Mr. Morishima insisted that he was certain the matter could be adjusted amicably through normal negotiations. At this point, Major Hanaya unsheathed his sword in an angry gesture and stated that if Morishima insisted, he should be prepared to suffer the consequences. Hanaya also stated that he would kill anyone who endeavored to interfere. That broke up the conference.

The Japanese Consulate received many requests during the night from the Supreme Advisor for Marshal Chang Hsueh-liang imploring the office of the Consul-General to persuade the Japanese Army to cease attacks. All these representations were communicated to the military but to no avail and the fighting continued. The Consul-General talked over the

telephone a number of times during the night of the 18th and morning of the 19th with Colonel ITAGAKI in an effort to persuade him to cease the fighting, but Colonel ITAGAKI remained defiant and consistently informed the Consul-General that he should cease interference with the right of military command. Consul-General Hayashi on the morning of 19 September 1931 called Foreign Minister Shidehara, "In view of the fact that it was proposed several times from the Chinese side that this matter be settled in a peaceful way, I phoned to Staff Officer ITAGAKI and said that since Japan and China had not yet formally entered into a state of war and that, moreover, as China had declared that she would act upon the non-resistance principle absolutely, it was necessary for us at this time to prevent the aggravation of the 'Incident' unnecessarily, and I urged that the matter be handled through diplomatic channels, but the above mentioned Staff Officer answered that since this matter concerned the prestige of the State and the Army, it was the Army's intention to see it through thoroughly."

THE MUKDEN INCIDENT WAS PLANNED

The evidence is abundant and convincing that the "Mukden Incident" was carefully planned beforehand by officers of the Army General Staff, officers of the Kwantung Army, members of the Cherry Society, and others. Several of the participants in the plan, including HASHIMOTO, have on various occasions admitted their part in the plot and have stated that the object of the "Incident" was to afford an excuse for the occupation of Manchuria by the Kwantung Army, and the establishment of a new State there based on the "Kingly Way" and subservient to Japan. In Japan

General Tatekawa of the Army General Staff was the leader. This was the same Tatekawa whom NIKAKI on Shidehara's complaint sent to Mukden to stop the plot, the same Tatekawa who had no desire to interfere with any proposed incident. In Manchuria, ITAGAKI was the principal figure. The case which has been presented to the Tribunal as a general defense of the actions of the Japanese on the night of 18th September and as a particular defense of those who, like ITAGAKI, were in action on that night is this: it is said that previous to that night Chinese troops in Manchuria had increased so that the Japanese troops in Manchuria who numbered only some 10,000 men, then faced a hostile army which numbered some 300,000 men and was superior in equipment to the Japanese; it is said that the disposition of the Chinese troops had recently been changed so that the Japanese troops, widely dispersed in groups along the railway line, faced concentrations which threatened their annihilation; it is said that the behaviour of the Chinese troops towards the Japanese troops was provocative and insulting; it is said that all indications pointed to an unprovoked attack by the Chinese troops upon the Japanese troops, in which the latter would be overwhelmed, unless decisive counter-action was promptly taken. Therefore, it is said, a plan was drawn up whereby, if the Chinese attacked, the Kwantung Army would concentrate its main forces in the vicinity of Mukden and deliver a heavy blow to the nucleus of the Chinese forces in the vicinity of Mukden and, thus by sealing the fate of the enemy would settle the matter within a short period. It was a part of this plan that two heavy guns should be secretly set up in the Mukden Independent Garrison Barracks. Such is the testimony of ITAGAKI. When therefore, says ITAGAKI, he heard on the night of 18th September of

the blowing up of the railway and the fighting outside the Chinese Barracks, it was apparent that this was a planned challenge on the part of the Chinese Regular Army against the Japanese Army and he approved of the decisions to attack the Chinese Barracks and the walled city of Mukden, because it was absolutely necessary and in line with the plan of operations of the Army drawn up in case of emergency.

The picture thus painted is that of a planned attack by the Chinese Army, overwhelmingly superior in numbers, upon some 1500 Japanese troops in the vicinity of Mukden; of a surprise attack upon an unanticipated occasion; and of a swift counter-attack by the Japanese troops at the nucleus of the superior forces whereby they were routed. The picture is false save in the one particular, that Mukden was captured and the Chinese troops driven away.

The Chinese troops had no plan to attack the Japanese. They were caught unprepared. In the attack on the Barracks, where there were thousands of Chinese troops, the Japanese fired from the darkness upon the brightly lit Barracks and met with trifling resistance, mainly from some Chinese troops who were cut off in their attempt to escape. In their capture of the city of Mukden, they met only negligible resistance on the part of some police.

There is no question of the Japanese being surprised by the events of the night. For some time before 18 September 1931, rumors were current in Japan that the Army was planning an "Incident" in Mukden. Lieutenant Kawakami at Fushan had revealed that an "event" might occur in Mukden on 18 September 1931. Consul-General Hiyoshi had telegraphed to the Foreign Minister the news that the Company Commander of a Japanese Unit at Fushan had said that within a week a big "Incident" would break out. Horishima, a member of the staff of the Japanese Consulate at Mukden, had learned that

Kwantun; Army units stationed at Fushun would execute a maneuver which contemplated the occupation of Mukden, leaving Fushun, about 11:30 on the night of 18 September 1931. The Foreign Minister attached so much credence to the information he had that he complained to the War Minister and persuaded the latter to dispatch General Fatake to Manchuria "to stop the plot", a General who, having no desire to interfere with any proposed "Incident" failed to fulfill his mission. And when, as the Japanese allege, a patrol of a Lieutenant and six men was fired on in the dark of the night of 18 September 1931, all the Japanese forces in Manchuria was brought into action almost simultaneously on that night over the whole area of the South Manchuria Railway from Changchun to Port Arthur, a distance of approximately 400 miles. The Chinese troops at Antung, Yingkou, Liangyang and other smaller towns were overcome and dispersed without resistance. The Japanese Railway Guards and Gendarmerie remained in these places and the units of the 2nd Division at once concentrated at Mukden to take part in the more serious operations. ITAGAKI was at the Special Service Office at Mukden to approve the initial attacks by the Japanese and to resist all efforts by the Japanese Consul General Hayashi and the Japanese Consul Horishina to persuade him to stop the fighting, notwithstanding that the Consul-General informed him that China had declared that she would act on the principle of non-resistance. Even among the Japanese there were those who believed that the "Incident" was planned by the Japanese. A year after it happened, we find the Emperor inquiring if the "Incident" was the result of a Japanese plot, as rumored. The Tribunal rejects the Japanese contention and holds that the so-called "Incident" of 18 September 1931 was planned and executed by the Japanese.

Preparation for war in China was not confined to the Kwantung Army. In Japan an unusual shift of personnel occurred on 1 August 1931 as if in anticipation of coming events. Such trusted officers as SOHMA, KOISO, NUTO, UMEZU, HATA, and ARAKI, were included in this personnel shift. SOHMA was appointed a Chief of Section in the Army General Staff, a Member of the Military Technical Council, and Liaison Officer to the Navy General Staff; KOISO was appointed a Lt. General; NUTO was relieved as an Instructor in Strategy at the military Staff College and made available to the Army General Staff; UMEZU was made Chief of the General Affairs Department of the Army General Staff Office; HATA was promoted to Lt. General and assigned as Inspector of Artillery and Commander of the 14th Division; and ARAKI was appointed Chief of the General Affairs Department of the Office of the Inspector-General of Military Education.

GENERAL HONJO ASSUMED COMMAND AT MUKDEN

Colonel ITAGAKI, who, as senior staff officer on the spot had been in active command at Mukden during the "Incident", was relieved by General Honjo, who arrived at Mukden at noon on 19 September 1931 and rapidly expanded the "Mukden Incident" into what came to be known as the "Manchurian Incident".

Honjo had returned to Port Arthur, after delivering his address to the 2nd Division, the Division which attacked Mukden, arriving at Port Arthur about 9 p.m. on 18 September 1931. Honjo had received the first news of the fighting at Mukden at about 11 p.m. from a newspaper agency. He immediately went to Kwantung Army Headquarters in Port Arthur, where he issued orders that action should follow the operational plans already established. It is

stated in evidence that a few minutes after midnight on the 18th a second telegram from the Special Service Office at Mukden was received at the Kwantung Army Headquarters reporting that the fighting had become more widespread and that the Chinese forces were bringing up reinforcements. If a telegram to this effect was received, there was no basis in fact for the statement that the Chinese forces were bringing up reinforcements. They were in full retreat from the Japanese attack. Honjo's staff advised that he should "mobilize the whole of the Japanese military might to seal the fate of the enemy in the shortest possible time." Honjo replied, "Yes, let it be done." Orders were immediately issued bringing into action all Japanese forces in Manchuria; the Japanese Garrison Army in Korea was asked to send reinforcements in accordance with the pre-arranged plan; and the Second Overseas Fleet was requested to sail for Yingkow. Under these orders, all the Japanese forces in Manchuria, and some of those in Korea, were brought into action almost simultaneously on the night of 18 September 1931 over the whole area of the South Manchurian Railway from Changchun to Port Arthur.

Upon arriving at Mukden, General Honjo set up a command post at the railway station and declared to the world his intention to wage a punitive war.

NINAMI SANCTIONED THE KWANTUNG ARMY ACTION

War Minister NINAMI sanctioned the action of the Kwantung Army and acted as a buffer between that Army and the Cabinet to prevent effective interference by the Government. He received information of the situation at Mukden in a telegram from the Special Service Office there at about 3 a.m. on 19 September 1931. Premier Wakatsuki first heard of the fighting when he received a telegram

call from MIYAMA sometime between 6 and 7 o'clock on the morning of 19 September 1931. The Premier called a meeting of the Cabinet for 10 a.m. MIYAMA sent Lt. General KOISO, who was Chief of the Military Affairs Bureau of the War Ministry, to act as Liaison Officer between the Army General Staff and the Cabinet. At the Cabinet meeting, MIYAMA reported that the Chinese troops had fired on the Japanese troops at Mukden and that their fire had been returned. He characterized the action of the Japanese as "an act of righteous self-defense". The Cabinet expressed a desire that the affair be terminated at once. MIYAMA stated that he would investigate and report to the Cabinet. The Cabinet then resolved upon a policy of non-expansion of the "Incident". The Premier called upon the Emperor at 1:30 o'clock that afternoon and informed him of the situation and the decision of the Cabinet. The Emperor agreed that the army should not try to enlarge the situation but should stop further action as soon as it found itself in an advantageous position. MIYAMA dispatched Lt. Colonel HASEBATA and two other officers of the Army General Staff to Mukden for the announced purpose of communicating to the KWANTUNG Army Commander the decision of the Government to prevent the expansion of the "Incident".

The Army was not to be controlled; and the Premier cast about desperately, but without success, for assistance in enforcing this policy of non-expansion of the "Incident". In an effort to find a way to control the Army, the Premier held a meeting at 8:30 of the evening of 19 September 1931 at the official residence of the Minister of the Imperial Household; Senior Statesman Prince Saionji's Secretary Baron Harada Chief Secretary to the Lord Keeper of the Privy Seal KIDO, the Grand Chamberlain, the Vice-Grand Chamberlain, and the Military

Aide-de-Camp to His Majesty, among others, were present. The only suggestion came from KIDŌ, who proposed daily meetings of the Cabinet. This suggestion proved to be of no effect, since War Minister NIIMMI reported at each of these meetings that for "strategic and tactical" considerations it had been necessary for the Japanese forces to pursue the Chinese troops a certain distance further into Chinese territory, but that such action was only "protective" and would in no sense be expanded. However, at this very time, the Chinese had proposed through Minister H. V. Soong that a powerful commission be organized consisting of both Japanese and Chinese in an effort to prevent further expansion of the conflict. SHIDE-NITSI, in reporting this proposal to Foreign Minister Shidehara suggested that it be accepted, if for no other reason than to strengthen the position of the Japanese in regard to the "Incident." Although Imperial Sanction was required under existing regulations for the Korean Army to commence operations outside Korea, the 39th Mixed Brigade of the 20th Division consisting of 4,000 men and artillery which had concentrated at Shingishu on the Korean frontier, crossed the Yalu River into Manchuria on 21 September 1931 and arrived at Mukden around midnight of the same day, without having received the Imperial Sanction; nevertheless, the Cabinet decided on 23 September 1931 that the expenses incurred in this move should be defrayed and later the Imperial Sanction for this move.

was obtained. This had not been reported to the Cabinet by MINAMI. At the Cabinet meeting of 23 September 1931, MINAMI made further excuses for allowing the Army to continue its aggression. As Premier Wakatsuki says: "Day after day expansion continued; and I had various conferences with War Minister MINAMI. I was shown maps daily on which MINAMI would show by a line a boundary which the Army would not go beyond, and almost daily this boundary was ignored and further expansion reported, but always with assurances that this was the final move."

KIDO recorded in his diary, that during a discussion by a group at the residence of Baron Karada it was mentioned that although the Emperor had approved the Cabinet's policy of non-expansion, the Army had been indignant that the Emperor had been induced by his personal attendants to form such an opinion. It was decided by this group that the Emperor had better say no more about the Cabinet's Policy; and that Elder Statesman Prince Saionji had better remain out of Tokyo to avoid intensifying the antipathy held for him by the Military Clique. In this manner, MIKAMI's affect cooperation with the Army General Staff, through his Liaison Officer KOISO, prevented the Government from enforcing its decision to halt further expansion of the "Mukden Incident." This is confirmed by an admission made by MIKAMI after the surrender that he had been in favor of the action taken by the Kwantung Army.

COLONEL DOHIMARA RETURNED TO MUKDEN

Colonel DOHIMARA had completed his report to the Army General Staff, recommended the solution of all pending "Manchurian Questions" by the use of force as soon as possible, and on his way back to his Special Service Office in Mukden to play the principal role in the organization of the new State in Manchuria "based on the "Kingly Way", when the "Incident" occurred there. DOHIMARA's extensive knowledge of China and its people, gained over some eighteen years spent in active participation in local politics as a Military Aide under successive Chinese military leaders, qualified him more than any other Japanese Army officer to act as overall adviser and coordinator in the planning, execution and exploitation of the "Mukden Incident."

There can be no doubt that such was the part played by DOHIBARA. His reconnaissance trip through China, with a brief pause in Mukden before reporting to the Army General Staff, and his return to Mukden on the eve of the "Incident", together with his actions thereafter, leave us with no other conclusion.

COLONEL DO HIBARA AS MAYOR OF MUKDEN

The organization of a provincial government for Liaoning Province had proven to be a difficult one, because Mukden was the center of the Province, and during the fighting, most of the influential Chinese had fled to Chinchow where they were continuing to carry on the provincial administration. Chinese General Tsang Shih-yi, who was Governor of the Province and had remained in Mukden, refused to cooperate with the Japanese in the organization of a new provincial government; for this, he was immediately arrested and confined in prison. Being thus hindered by lack of cooperation from the Chinese, the Japanese Army issued a proclamation on 21 September 1931 installing Colonel DOHIBARA as Mayor of Mukden; he proceeded to rule the city with the aid of a so-called "Emergency Committee" composed mostly of Japanese. By 23 September 1931 DOHIBARA had made himself complete master of the city and was found by visiting journalists in the Japanese Army Headquarters, where he was acting as political representative and spokesman for the Army. From this point on the organization of provisional governments for the three Eastern Provinces made headway. On 23 September 1931 Lt. General Hsi Hsia was invited to form a provisional government for Kirin Province, and the next day, it

was announced that a provisional government had been formed for Liaoning Province with Dr. Yen Chin-hai as Chairman of the "Committee for the Maintenance of Peace and Order". The Japanese Press hailed this as the first step in a separatist movement.

SELF-GOVERNMENT GUIDING BOARD

The Self-Government Guiding Board was organized by the Japanese Army in Mukden during the last half of September 1931. The purpose of the Board was to start an independence movement and spread it throughout Manchuria. Colonel ISAGAKI was in charge of the Staff Section having supervision over the Board; and Colonel DOHEHARA, as head of the Special Service Office, supplied the Board with all necessary confidential information regarding the Chinese. Although the Chairman of the Board was Chinese, approximately 90 per cent of the personnel employed by the Board were Japanese residents in Manchuria.

General Hsi Hsia accepted the Japanese invitation, called a meeting of government organization and Japanese advisors and on 30 September issued a proclamation establishing a provisional government for Kirin Province under protection of the Japanese Army.

General Chang Ching-hai, Administrator of the Special District, also called a conference in his office at Harbin on 27 September 1931 to discuss the organization of an "Emergency Committee of the Special District."

General Hanjo took advantage of some minor disturbances in the town of Chientsao, in Kirin Province, to announce that Japan would no longer recognize the government of Marshal Chen; Han-shiang and would not cease operations until his power was completely broken.

PROTESTS AND ASSURANCES

China lodged a protest with the League of Nations against the action of Japan in Manchuria. The protest was filed on 23 September 1931. The Council of the League was assured by the Japanese Government that Japan had started withdrawing her troops to the railroad zone and would

continue the withdrawal; upon this assurance, the Council adjourned to meet again on 14 October 1931.

The United States of America also protested against the fighting in Manchuria and on 24 September 1931 called the attention of both Japan and China to the provisions of the existing treaties. After a Cabinet meeting that day, the Japanese Ambassador in Washington delivered to the Secretary of State of the United States a Note in which it was stated among other things, "It may be superfluous to repeat that the Japanese Government harbors no territorial designs in Manchuria".

THE OCTOBER INCIDENT

These assurances given to the League and to the United States indicated that the Cabinet and the Army did not agree upon a common policy in Manchuria. It was this disagreement which caused the so-called "October Incident". This was an attempt on the part of certain officers of the Army General Staff and their sympathizers to organize a coup d'etat to overthrow the Government, destroy the political party system, and establish a new Government which would support the Army's plan for the occupation and exploitation of Manchuria. The plot centered around the Cherry Society; and the plan was to "cleanse the ideological and political atmosphere" by assassinating the government leaders. HASHIMOTO was the leader of the group and gave the necessary orders for the execution of the scheme. HASHIMOTO admitted that he originated the plot in early October 1931 to bring about a Government headed by ARAMI. KIDO was well informed of the proposed rebellion and his only concern seems to have been to find a way to limit the disorders so as to prevent widespread damage and sacrifices. However, a certain Lt. Colonel Benoto informed the Police of the plot and War Minister MINAMI ordered the leaders arrested, thereby breaking up the plot. SHIRAZORI criticized MINAMI for opposing the coup and declared that it was necessary to take prompt action so as to create a new regime in Manchuria; and that if MINAMI had given his tacit approval to the scheme, it would have facilitated a solution of the "Manchurian Problem."

After the failure of the "October Incident" rumors were heard to the effect that if the Central Authorities in Tokyo did not support the Kwantung Army in the execution of its plan to occupy all Manchuria and establish a puppet State there, that Army would declare itself independent of Japan and proceed with the project. This threat appears to have been effective in producing a change in the Government and its attitude.

The War Ministry began censoring the news; and army officers called upon writers and editors, who wrote or published anything unsatisfactory to the War Ministry, and advised them that such writings were displeasing to the War Ministry. Violent organizations threatened editors and writers when they expressed views contrary to that of the War Ministry.

DECISION TO ENTROONE PU YI

After this change of attitude by the Japanese Government, Colonel IIZUKA and Colonel ICHIHARA decided to return Puyi Pu Yi, the deposed Emperor of China, and enthrone him as Emperor of Manchuria as an emergency measure to combat the influence of Marshal Chang Hsueh-liang, which was growing progressively stronger with the unity between the Young Marshal and Generalissimo Chiang Kai-shek. The new provisional government operating under the protection of the Japanese Army had succeeded in taking over all tax collection and finance institutions and had further strengthened its position by reorganization, but it was having considerable difficulty due to the Marshal's continued popularity. The Kwantung Army General Staff became fearful that the provisional government set up

by then would conspire with the Marshal; therefore it was decided by Colonels ITAGAKI and DOHARA to proceed at once with the organization of an independent State by uniting the Three Eastern Provinces of Heilungkiang, Kirin and Linning under the nominal leadership of Henry Pu Yi, the de-throned Emperor of China.

COLONEL DOHARA PROCEEDS TO RETURN PU YI

DOHARA was dispatched by ITAGAKI to Tientsin to return Pu Yi to Manchuria. ITAGAKI made all necessary arrangements and gave DOHARA definite instructions. The plan was to pretend that Pu Yi had returned to resume his throne in answer to a popular demand of the people of the Manchuria and that Japan had nothing to do with his return but would do nothing to oppose the popular demand of the people. In order to carry out this plan, it was necessary to land Pu Yi at Yingkow before that port became frozen; therefore, it was imperative that he arrive there before 16 November 1931.

Foreign Minister Shidehara had learned of the scheme to return Pu Yi to Manchuria and had instructed his Consul-General at Tientsin to oppose the plan. On the afternoon of 1 November 1931, the Consul-General contacted DOHARA as instructed and tried every means at his disposal to persuade him to abandon the plan, but DOHARA was determined and stated that if the Emperor was willing to risk his life by returning to Manchuria, it would be easy to make the whole affair appear to be instigated by the Chinese, he further stated that he would confer with the Emperor and if

the Emperor was willing, he would go through with the scheme; but if the Emperor was not willing, then he would leave with a parting remark that there would be no such opportunity in the future for the Emperor, and dispatch a telegram to the military authorities at Mukden to the effect that he would consider an alternative as the present plan was hopeless of success.

During the evening of 2 November 1931, DOHIBARA visited Pu Yi and informed him as follows: Conditions were favorable for Pu Yi's enthronement and the opportunity should not be missed. He should make an appearance in Manchuria by all means before 16 November 1931. If he did so appear, Japan would recognize him as Emperor of an independent State and conclude a secret defensive and offensive alliance with the new State. If the Chinese Nationalist Armies should attack the new State, Japan's armies would crush her. Pu Yi appeared willing to follow DOHIBARA's advice upon being told that the Japanese Imperial Household favored his restoration to the Throne.

The Consul-General continued his efforts to dissuade DOHIBARA but without results. On one occasion, DOHIBARA threatened that it would be outrageous for the government to take the attitude of preventing Pu Yi's return; and that if this should occur, the Kwantung Army might separate from the Government and no one could say what action it might take.

Some difficulty was encountered by DOHIBARA in arranging the terms upon which Pu Yi was to return; and a Chinese newspaper in Shanghai, under a Tientsin date line for 2 November 1931,

published a complete account of the scheme and alleged that Fu Yi had refused DOHIRARA's offer. To hasten Fu Yi's decision, DOHIRARA resorted to all kinds of schemes and intrigues. Fu Yi received a bank check concealed in a basket of fruit; he also received threatening letters from the "Headquarters of the Iron Blood Group", as well as from others. DOHIRARA finally caused a riot to occur in Tientsin on 8 November 1931 with the assistance of certain underworld characters, secret societies and regents of the city, whom he supplied with arms furnished by ITAGAKI. The Japanese Consul-General, in a further attempt to carry out Shidehara's orders, warned the Chinese Police of the impending riot; being forewarned, they were able to prevent the riot from being a complete success; but it served to throw Tientsin into disorder.

This disorder continued and during the riot on the night of 10 November 1931, DOHIRARA secretly removed Fu Yi from his residence to the pier in a motor car guarded by a party equipped with machine-guns, entered a small Japanese military launch with a few plain-clothes men and four or five armed Japanese soldiers and headed down the river to Tang-ku. At Tang-ku, the party boarded the ship "Awaji Maru" bound for Yingkow. Fu Yi arrived at Yingkow on 13 November 1931 and on the same day was taken to Tsungking-tsu, where he was held in protective custody in the Hotel Tai Sui Haku by the Japanese Army. An attempt was made to cause it to appear that Fu Yi had fled for his life as a result of threats and the riots in Tientsin. No doubt, these served to hasten Fu Yi's agreement with the terms offered by DOHIRARA.

ENTHRONEMENT OF PU YI DELAYED

In an effort to prevent further aggravation of Japan's position in the League and keep Japan's Representative in a favorable position before the Council during its deliberations, NIKUNI advised the Kwantung Army to delay the enthronement of Pu Yi. On 15 November 1931, he sent a telegram to General Honjo in which he said: "Especially, to commit such hasty actions when we have just begun to see the signs of favorable results of our efforts to improve the atmosphere of the League of Nations is by no means a wise policy. Therefore, for the time being, we would like to have you lead the general public in such a way so as not have Pu Yi connected in any way, whether it be active or passive, with political problems. Naturally, in establishing a new regime, if our Empire takes the strong attitude we must expect either an intervention by the United States based upon the Nine-Power Treaty or a council of the World Powers. Moreover, under the present conditions in Manchuria, it is an internationally recognized fact that an establishment of the new regime would not be possible without the understanding and support of the Imperial Army. Therefore, when Pu Yi unexpectedly enters into the picture of the establishment of the new regime, and even if it is ostensibly performed according to the wishes of the people, there would be fear of arousing world suspicion. It is essential that our Empire lead world situations so that we can at least and at any time conduct a legal argument against the Powers. I would like to have you keep this point in mind."

The Army moved Pu Yi on 20 November 1931 to Port Arthur and installed him in the Yasuto Hotel with

explanation that he was receiving too many undesirable visitors at Yang-kang-tsu. DOHIMARA and ITAGAKI arranged secretly for the Emperor's wife to join him at Port Arthur.

THE ADVANCE ON CHINCHOW

An expedition to the Nongni River Bridge, which succeeded in defeating General Ma Chan-shen, the Military Governor of Heilungkiang Province, and driving him toward the north-east upon Hailun during the first half of November 1931, had also resulted in the occupation of Tsitsihar, and the elimination of Marshal Chang Hsueh-liang's authority from all of Manchuria, except for a fragment of Southeast Liaoning Province surrounding the city of Chinchow. The occupation of Chinchow was all that remained to make the subjugation of Manchuria complete.

The Chinese Provincial Government, which had fled from Mukden, had established itself in Chinchow soon after the Mukden Incident and Marshal Chang Hsueh-liang had moved his headquarters from Peiping to Chinchow in the early days of October 1931, so that the city had become the center of opposition to the Japanese occupation. Japanese observation planes made frequent flights over the city; and on 8 October 1931, six scouting and five bombing planes flew over the city and dropped some eighty bombs.

The disturbances and riots organized by Colonel DOHIMARA gave the staff officers of the Kwantung Army an excuse to send troops to Tientsin to reinforce the Japanese Garrison and protect the Japanese Concession.

there. The first of these riots occurred on 8 November 1931 as heretofore related; but on 26 November 1931, a new series of disorders began. Colonel DOHARA had employed Chinese ruffians and Japanese plain-clothes men and formed them into operating gangs within the Japanese Concession in order to start trouble in the Chinese section of Tientsin. On the evening of the 26th a terrific explosion was heard, immediately followed by firing of cannon, machine-guns and rifles. The electric lights in the Japanese Concession were put out, and plain-clothes men emerged from the Concession firing upon the police stations in the vicinity.

The most practical route for reinforcements to take in moving from Manchuria to Tientsin would have been by sea; but the route by land had distinct strategical advantages as it lay through the city of Chinchow; and any movement through Chinchow would afford an excuse for making an attack upon that city eliminating the concentration of Marshal Chang Hsueh-liang's Army there.

Neutral observers had expected an advance on Chinchow, and on 23 November 1931, during a conference on the subject, Foreign Minister Shidehara assured the American Ambassador in Tokyo that he, the Premier, the Minister of War, MIYAKI, and the Chief of the Army General Staff had agreed that there would be no hostile operations toward Chinchow. However, DOHARA's riot on the night of the 26th precipitated such an advance on the morning of 27 November 1931; and a troop train and several airplanes crossed the Liao River, ostensibly for the purpose of relieving the Japanese Garrison which was alleged to be beleaguered at Tientsin, but actually intending to drive Marshal Chang Hsueh-liang from Chin-

chow. The Japanese met little or no resistance as Marshal
Chang Hsueh-liang had already begun withdrawal of his troops
south of the Great Wall in order to remove all excuse for
further advances by the Japanese. Nevertheless, the advance
proceeded, and Japanese planes repeatedly bombed Chinchow.
The American Secretary of State protested the violation of the
assurance so recently given the American Ambassador that no
hostile action would be taken toward Chinchow; and on 29 Novem-
ber 1931, this assurance was reluctantly and belatedly honored
by the Chief of the Army General Staff ordering Hsueh to recall
his troops to a position in the vicinity of Heilung.

Dup

THE LEAGUE APPOINTED A COMMISSION OF INQUIRY

The Council of the League of Nations had been in session for approximately four weeks considering the dispute between Japan and China, when it resolved on 10 December 1931 to accept the suggestion of the Japanese Representative and send a Commission of Inquiry to Manchuria to make a study of the situation "on the spot". The Council's resolution provided that the Commission should consist of five members from Neutral countries with the right of China and Japan to appoint one "Assessor" each to assist the Commission.

Paragraph 2 of the Resolution was in these terms "(2) Considering that events have assumed an even more serious aspect since the Council meeting of October 23th, notes that the two parties undertake to adopt all measures necessary to avert any further aggravation of the situation and to refrain from any initiative which may lead to further fighting and loss of life."

Japan in accepting the Resolution made a reservation concerning paragraph (2) stating that she accepted it "On the understanding that this paragraph was not intended to preclude the Japanese forces from taking such action as might be found necessary to provide directly for the protection of the lives and property of Japanese subjects against the activities of bandits and lawless elements rampant in various parts of Manchuria"

China accepted the Resolution with the reservation that China's rights of sovereignty in Manchuria would not be impaired.

With regard to the undertaking and injunction contained in paragraph (2), quoted above, China stated "It must be clearly pointed out that this injunction should not be violated under the pretext of the existence of lawlessness caused by a state of affairs which it is the very purpose

"Of the resolution to do away with. It is to be observed that much of the lawlessness now prevalent in Manchuria is due to the interruption of normal life caused by the invasion of the Japanese forces. The only sure way of restoring the normal peaceful life is to hasten the withdrawal of the Japanese troops and allow the Chinese authorities to assume the responsibility for the maintenance of peace and order. China cannot tolerate the invasion and occupation of her territory by the troops of any foreign country; far less can she permit these troops to usurp the police functions of the Chinese authorities."

Despite this counter-reservation of China, the Japanese maintained that their reservation gave Japan the right to maintain her troops in Manchuria and made her responsible for the suppression of banditry. Under the pretext of suppressing banditry Japan proceeded to complete the conquest of Manchuria. In the words of the Lytton Commission "The fact remains that, having made their reservation at Geneva, the Japanese continued to deal with the situation in Manchuria, according to their plans."

The membership of the Commission was not completely made up until 14 January 1932. The Rt. Honorable, the Earl of Lytton (British) was elected Chairman of the Commission; and the Commission has come to be known as the Lytton Commission.

THE WAKATSUKI CABINET WAS FORCED TO RESIGN

The continued efforts of Premier Wakatsuki and his Foreign Minister Shidehara to enforce the "Friendship Policy" and the "Policy for Non-Expansion" generated so much opposition from the Military and their sympathizers that the Cabinet was forced to resign on 12 December 1931. Premier Wakatsuki testified as follows: "It is true that in spite of the fact that the Cabinet had decided on the policy of stopping the 'Manchurian Incident', it continued

"to spread and expand. Various methods were tried, and one of these was a coalition cabinet, which I hoped might be able to stop the action of the Kwantung Army. However, because of certain difficulties, this did not materialize, and that is why my Cabinet resigned."

THE INUKAI CABINET

The Inukai Cabinet was formed on 13 December 1931 with ARAKI as Minister of War. The three Army Chiefs, that is: the outgoing War Minister, MINAMI, the Chief of the General Staff, and the Inspector General of Military Education, whose duty it was under the Japanese Constitution to select the succeeding War Minister, had selected General Abe to be War Minister; but ARAKI was popular with the radical elements in the Army, and they approached Inukai and demanded his appointment. General ARAKI received the appointment. Although Premier Inukai announced to Elder Statesman Prince Saionji that he intended to carry out the Emperor's wish that Japanese politics should not be controlled solely by the Army and although he adopted a policy to terminate the aggression of the Kwantung Army in Manchuria, War Minister ARAKI was not in accord with this policy. ARAKI favored Commander Honjo's plan that the four Provinces formerly under Marshal Chang Hsueh-liang should be occupied and pacified. He admitted that this was so during an interrogation at Sugamo Prison after the surrender. His first act was to secure approval in the Cabinet and the Privy Council of an appropriation to carry out this scheme.

HOJO AND ITAGAKI MOVED TO EXECUTE HOJO'S PLAN

The formation of the Inukai Cabinet, with ARAKI as War Minister and favorable to the Hanjo plan to occupy and pacify the four Provinces, was the signal to the Kwantung Army to execute the plan. ITAGAKI moved quickly to strengthen the provisional government of Liaoning Province; a concentration of troops west of Mukden, poised for a drive on Chinchow and Tientsin, was begun; and ITAGAKI prepared to visit Tokyo to assist ARAKI in making detailed arrangements for carrying out the plan.

General Tsang Shih-yi, who had been incarcerated in prison on 21 September 1931 because of his refusal to cooperate with the invading Japanese Army, was starved into submission and forced to agree to accept the appointment as Governor of the Provincial Government, ad interim, of Liaoning Province. He was released from prison on the night of 13 December 1931; and after an interview with ITAGAKI, he was duly inaugurated as Governor on 15 December 1931. He was in such a nervous, weakened condition as a result of having been starved in prison that he fainted during his inauguration when a photographer exploded a flash bulb in making his picture. The inauguration of General Tsang Shih-yi was in preparation for a conference of all the Manchurian Provincial Governors; and the Kwantung Army was hastening preparations for the meeting.

The concentration of troops for the advance on Chinchow had begun on the 10th; and by 15 December 1931, it was complete. However, the advance could not begin until approval of War Minister ARAKI had been obtained and funds provided.

All preparations being complete, Commander Honjo dispatched ITAGAKI to Tokyo to convey to the Government his opinion that Manchuria should be made independent of China. War Minister ARAKI immediately supported Honjo's plan and said that complete independence was the only way in which the "Manchurian Incident" could be solved, but considerable opposition to the plan was found to exist and he was not able to obtain approval of the plan without difficulty. The question was finally presented to the Throne at an Imperial Conference on 27 December 1931 and ARAKI stated: "We immediately decided to send the troops to Fengtian Province. The principal plan was made in the War Ministry's order to General Headquarters, and they took the procedure of sending troops for the operation." At least a part of ITAGAKI's mission had been accomplished."

On the very day that this decision to advance against Chinchow was made, the Vice-Minister for Foreign Affairs handed the American Ambassador in Tokyo a memorandum in which it was stated that Japan was determined to remain loyal to the Covenant of the League, the Kellogg-Briand Pact, and other treaties, and would abide by the two resolutions adopted by the Council of the League regarding the Manchurian situation.

MANCHURIA WAS COMPLETELY OCCUPIED AFTER THE CAPTURE OF CHINCHOW

The Kwantung Army pointed to the reservation made at Geneva, as already referred to, and continued to deal with Manchuria according to plan. The Chinese Minister for Foreign Affairs, knowing that the attack on

Chinchow was imminent, had made a last minute appeal to prevent further fighting by offering to remove all remaining Chinese troops south of the Great Wall, but nothing came of this appeal; and the Kwantung Army actually began its movement on 23 December 1931. The Chinese Army was forced to give up its position. From that day, the advance continued with perfect regularity and hardly met any resistance at all as the Chinese General had ordered a retreat. Chinchow was occupied on the morning of 3 January 1932; and the Kwantung Army continued its advance right up to the Great Wall at Shanhaikwan.

ITAGAKI COMPLETED HIS MISSION AND RETURNED TO HURDEN

KIDO records in his diary for 11 January 1932 that ITAGAKI had obtained approval of the plan to set up a puppet State in Manchuria; the entry is in part as follows: "At 10:30 o'clock this morning in the ante-chamber connected with the lecture hall of the Imperial Palace, I, together with persons close to the Emperor, heard from Colonel ITAGAKI the conditions in Manchuria and Mongolia. Colonel ITAGAKI first explained the situation concerning the progress of the campaign against soldier bandits in Manchuria and Mongolia as well as the progress in establishing a new State in Manchuria. Colonel ITAGAKI gave hint that Manchuria would be placed under a new ruler, and the Japanese Army would take charge of the national defense of the new Manchurian State. He further explained that Japanese people would participate in the management of the new State as high government officials." It will be noted that ITAGAKI followed the usual practice of referring to all Chinese soldiers as

"bandits". The pretense of invoking the reservation made at Geneva was again employed.

On his way back to Mukden, Colonel ITAGAKI called upon the new ruler mentioned in his conversation with KIDO. During his visit with Pu Yi at Port Arthur, ITAGAKI stated to Pu Yi, "In order to get rid of Chinese Militarists and secure social welfare for the people of the Northeastern Provinces, we are willingly prepared to put up a new political regime in Manchuria." ITAGAKI proposed that Pu Yi should become the head of the new regime; but demanded, that as soon as the Manchurian Regime was set up, Japanese should be employed as advisers and officials.

THE INDEPENDENCE MOVEMENT GAINED IN INTENSITY

After the fall of Chinchow, the independence movement made progress, especially in North Manchuria where DOHARA was on duty as Chief of the Special Services in Harbin. After the Japanese occupied Tsitsihar on 18 November 1931 and drove the forces of General Ma toward Sailun, a Self-Government Association of the usual type was established in Heilungkiang Province; and General Chang Ching-hui was inaugurated as Governor of the Province on 1 January 1932. General Chang Ching-hui, upon learning of the complete defeat and expulsion of Marshal Chang Hsueh-liang from Chinchow, acceded to the requests of the Self-Government Guiding Board at Mukden and declared the independence of Heilungkiang Province. The declaration was issued on 7 January 1932. On the same day, the Self-Government Guiding Board issued a Proclamation, which it had prepared on 1 January, but had been holding until an opportune time for publication. The Proclamation appealed to the people to overthrow Marshal Chang Hsueh-liang and join the Self-Government Association. The Proclamation ended with these words: "Organizations of the Northeast, Unite!" Fifty thousand copies were distributed. Mr. Yu Chung-han, the Chief of the Board and Governor Tsang Shih-yi, of Lianning Province, were making plans for a new State to be established in February. This idea of independence from China had received no popular support in Manchuria before the "Mukden Incident" of 18 September 1931. It is apparent that it was conceived, organized and carried through by a group of Japanese civil and military officials, of whom Colonels

ITAGAKI and DOHICHA were leaders. The Presence of Japanese troops to enforce their authority, the control of the railways by the South Manchurian Railway, the presence of Japanese Consuls in all of the important urban centers, and the coordinating effect of the Japanese controlled Self-Government Guiding Board, afforded the group a means of exercising an irresistible pressure to bring about this so-called independence and later to control the new puppet State. The independence movement and the Chinese collaborators were sustained by Japanese military might alone.

ADDITIONAL ASSURANCES BY JAPAN

On 7 January 1932, the day that General Chang Ching-hai proclaimed the independence of Heilungkiang Province, the American Secretary of State instructed the American Ambassador in Tokyo to deliver a Note to the Japanese Government. The Secretary of State stated in that Note that the Government of the United States deemed it a duty to notify both Japan and China that it would not admit the legality of any de facto situation nor recognize any treaty or agreement entered into so as to impair the treaty rights of the United States or its citizens in China or violate the conventional policy of the "Open Door" in China, or impair the obligations of the Pact of Paris (Annex No. B-15)

This note was not answered until 16 January 1932. The Japanese Note stated that Japan was aware that the United States could be relied upon to do everything to support Japan's efforts to secure full and complete fulfillment of the treaties of Washington and the Kellogg-Briand Pact (Annex No. B-15). This Japanese Note went on to say that in

so far as Japan could secure it the policy of the "Open Door" in China would always be maintained. Having regard to the Japanese military action in Manchuria which we have just described, this Japanese Note is a masterpiece of hypocrisy.

HASHIMOTO OBJECTED TO THIS ASSURANCE

The next day HASHIMOTO published an article in the Taiyo Dai Nippon, apparently in protest against this "Door" in China. The title of the article was, "The Reform of Parliamentary Systems." In the article, HASHIMOTO said: "Responsible government"-Party Cabinet System-runs a solutely counter to the Constitution. It is the democratic government which ignores the 'Tanno' government * * * which has been established firmly since the founding of our Empire, and which remains solemnly unshaken in the Constitution granted by the Emperor. When we consider their dangerous anti-national structure, political ideology and their aggressive evils we believe it most urgently necessary first of all to make a scapegoat of the existing political parties and destroy them for the sake of the construction of a cheerful new Japan."

DOHIMARA NEGOTIATED WITH GENERAL MA CHAN-SHAY

After General Ma had been driven from Tsitsihar by the Japanese and had set up his capital at Hailun, from which he was attempting to govern Heilungkiang, Colonel DOHIMARA began carrying on negotiations with the General from his Special Service Office at Harbin. The General's position was somewhat ambiguous; although he continued negotiating with DOHIMARA, he continued to support General Ting Chao. General Ting Chao had never approved of the puppet

government set up in Kirin Province by the Kwantung Army under the nominal leadership of General Hsi Hsia and had organized an army to oppose General Hsi Hsia. Not only did General Ma continue to support General Ting Chao, but these two Generals maintained some contact with Marshal Chang Hsueh-liang and Generalissimo Chiang Kai-shek, who gave them assistance.

In an effort to force General Ma to terms, Colonel DOHARA requested General Hsi Hsia to advance on Harbin and drive in the direction of Hailun. General Hsi-Hsia at the beginning of January 1932 prepared an expedition to the North with a view to occupying Harbin. General Ting Chao was between him and Harbin. General Hsi Hsia advanced to Shuangcheng on 25 January; but Marshal Chang Hsueh-liang instructed Generals Ma and Ting Chao not to negotiate further; and fighting began on the morning of the 26th. DOHARA had failed in his attempt to intimidate Generals Ma and Ting Chao; and what was still worse, his ally, General Hsi Hsia, was meeting serious reverses at the hand of General Ting Chao. Thereupon, DOHARA was forced to call upon the Kwantung Army to assist General Hsi Hsia. To justify this, Colonel DOHARA created another of his "incidents" in Harbin and engineered riot, during which it is said that one Japanese and three Korean subjects of Japan were killed. Most of the Japanese troops had been withdrawn from Northern Manchuria in order to use them in the Chinchow drive; but the 2nd Division had returned to Mukden for a rest. Although the 2nd Division was ordered to go to the rescue of General Hsi Hsia and entrained on 28 January, some delay was experienced because of transportation difficulties. This gave General Ting Chao time to seize the Municipal Administration

in Harbin and arrest General Chang Ching-hui, who had been acting as puppet Governor of Heilungkiang Province.

MIRAMI LECTURED

While the reinforcements were entraining to go to the aid of General Hei Hsia, War Councillor MIRAMI was delivering a lecture before the Japanese Emperor in Tokyo. His subject was "The Latest Situation in Manchuria". KIDO was present and recorded the lecture. MIRAMI's conclusions as expressed to the Emperor were (1) Japan would take over the national defense of the new state to be created in Manchuria, complete the Kirin-Kwansai Railway, and make the Sea of Japan into a lake to facilitate Japan's advance into North Manchuria, thereby revolutionizing Japan's defense plans. (2) The joint management by Japan and the new State of the economy of the area would make Japan self-sufficient in the World forever. (3) This arrangement would solve Japan's population problem, provided she established a colonial trading system to the new State. KIDO further recorded that he thought the three or four Japanese organs in Manchuria should be united under one head when the new State was formed. This idea was to be carried out later.

FIRST INVASION OF SHANGHAI

After MIRAMI had finished his lecture on the afternoon of 28 January 1933, fighting broke out in a new place in China. At 11:00 fighting commenced in the first invasion of Shanghai. The commencement of the "Incident" is typical. The anti-Chinese riots in Korea following the "Wanpaoshan Incident" led to a Chinese boycott goods in Shanghai, which had been

intensified after the "Wakien Incident" and increased in intensity as that "Incident" grew into the "Manchurian Incident". Tension increased so that serious clashes occurred between Chinese and Japanese. Japanese residents of Shanghai requested the dispatch of Japanese troops for their protection. The Japanese Consul-General presented five demands to the Chinese Mayor of Shanghai; and the Admiral in command of Japanese naval forces at Shanghai announced that unless the Mayor's reply was satisfactory he would take action. On 24 January 1932, Japanese naval reinforcements arrived. The Chinese reinforced their garrison in Chapai, which is the native section of Shanghai. On 28 January, the Municipal Council of the International Settlement met and declared a state of emergency as of 4:00 p.m.; at that hour, the Japanese Consul-General informed the Consular Body that a satisfactory reply had been received from the Chinese Mayor; and that no action would be taken. At 11:00 a.m. on the same day, the Japanese Admiral announced that the Japanese Navy was anxious as to the situation in Chapai where numerous Japanese nationals resided and had decided to send troops to that sector and occupy the Shanghai Wusung Railway Station and that he hoped the Chinese would speedily withdraw to the west of the railway. These Japanese troops sent to the Chapai sector came into contact with Chinese troops which ~~would not have had time to withdraw even had they wished to do so.~~ This was the beginning of the battle of Shanghai.

CHINA MADE ANOTHER APPEAL TO THE LEAGUE

The next morning, 29 January 1932, the alarming situation caused China to submit a further appeal to the League of Nations under Articles 10, 11 and 15 of the Covenant. The Council of the League was in session when the fighting started at Shanghai and it received the new appeal from China the next day.

GENERAL MA BARGAINED WITH DOHIBARA

In Manchuria, Colonel DOHIBARA was continuing his negotiations in an effort to obtain the support of General Ma in the formation of a new state in Manchuria. Colonel ITAGARI had recognized General Ma as "a man of real worth possessing his own troops", and had attempted to arrange a truce with him after the battle of Teitsihar. General Ma continued to cooperate with General Ting Chao until the latter's defeat by the combined forces of General Hsi Hsia and the Japanese on 5 February 1932. After General Ting Chao's defeat, General Ma resumed negotiations with Colonel DOHIBARA, while his army escaped through Russian territory into China. With his army safe in China proper, General Ma, as it said, accepted the one million dollars in gold offered by DOHIBARA. In any event he now agreed on 14 February 1932 to become Governor of Hailungkiang Province and cooperate with the Japanese.

SUPREME ADMINISTRATIVE COUNCIL

According to ARAKI, General HONJO conceived the idea of having the Governors of the Provinces organize a "Supreme Administrative Council" to make recommendations for the organization of the new State in Manchuria. He forwarded his plan to ARAKI and requested permission to set up a new State for the government of Manchuria with Henry Fu Yi as its head. During his interrogation at Suguna Prison, ARAKI admitted that since he had no better suggestion and thought the General's plan would solve the "Manchurian Problem", he had approved the plan. ARAKI then sent additional experts into Manchuria to assist the Self Government Guiding Board in carrying out General Honjo's plan.

General Na having reached an agreement with DOKIHARA, the Self-Government Guiding Board called a meeting of the Governors of the Three Eastern Provinces and the Special District to meet at Mukden at 16 February 1932 for the announced purpose of "laying the foundation" for the new State. The meetings attended in person by General Na, as Governor of Heilongkiang; General Chang Ching-hai as Governor of the Special District; General Hoi Hsia, as Governor of Kirin; and General Tsang Shihyi as Governor of Linning; but General Tang Ju-lin, the Governor of Jehol, was not present. The legal advisor for the meeting was Dr. Chao Hsin-ge, the Tokyo University trained Doctor of Laws, who had relieved Colonel DOKIHARA as Mayor of Mukden.

These five men decided that a new State should be established, that a North-Eastern Supreme Administrative Council should be organized which would exercise tempo-

arily the supreme authority over the Provinces and the Special District, and that this Supreme Council should without delay make all necessary preparations for the founding of the new State.

On the second day of the Conference, the Supreme Administrative Council was duly organized, to consist of seven members, namely: the Governors of Heilungkiang, Kirin, Liaoning, Jehol and the Special District, and the two Mongol Chiefs who had joined the Conference on the morning of the second day. The new Supreme Council immediately proceeded to business, and decided: (1) to adopt the Republican system for the new State; (2) to respect the autonomy of the constituting provinces; (3) to give the title of "Regent" to the Chief Executive; and (4) to issue a Declaration of Independence. That night, General Hanjo gave an official dinner in honor of the "Heads of the New State". He congratulated them on their success and assured them of his assistance in case of need.

DECLARATION OF INDEPENDENCE

The next morning after General Hanjo's dinner party, that is to say on 16 February 1932, the Declaration of Independence of Manchuria was published by the Supreme Administrative Council. Dr. Okawa in his book, "2600 Years of Japanese History", published in 1939, in commenting on this declaration has this to say: "The Chang Hsueh-liang Regime was swept completely away from Manchuria in one sweep through the quick and daring action of the Japanese troops." The Tribunal finds upon the evidence that there was no popular

movement in Manchuria for the establishment of any independent government. This movement was sponsored and inspired by the Kwantung Army and its creature, the Self-Government Board, with its Japanese Advisors.

ORGANIZATION OF THE NEW STATE

The declaration of Independence having been issued, Governors Ma and Hsi Hsia returned to their Provincial Capitals, but they designated representatives to meet with Governor Tsang Shih-yi, Governor Cheng Ching-hsi and Mayor Chao Hsin -Po for the purpose of working out the details of the plan for the new State. On 19 February 1932, this group decided that the form of the new government should be that of a Republic with a constitution drawn on the principle of the separation of powers. The group then agreed upon Changchun as the Capital of the new State, fixed the design of the new national flag, and agreed that Pu Yi should be asked to act as "Regent" of the new State.

The Self-Government Guiding Board immediately began holding mass meetings and demonstrations in the Provinces at which the Kwantung Army paraded its might and fired artillery salutes to impress the Manchurians with the power of Japan. After the proper foundation had been laid by these demonstrations, the Board took the lead in convening an All-Manchurian Convention, which was held in Mukden on 29 February 1932. At this Convention, speeches were delivered; a declaration denouncing the previous regime of General Chang Hsueh-liang was unanimously adopted; and resolutions welcoming

the new State with Pu Yi as its Chief Executive were approved.

The Supreme Administrative Council met immediately in urgent session and elected six delegates to proceed to Port Arthur to convey their invitation to Pu Yi to head the new government. Pu Yi did not respond to the first invitation from the Supreme Administrative Council, so a second delegation was appointed on 4 March 1932 to induce pu Yi to accept. Upon the advice of Colonel HIGAKI, Pu Yi accepted the second invitation. After an audience with the Delegates on 5 March, Pu Yi left Port Arthur on the 6th for Tangkang-tse, and after two days began, on the 8th, to receive homage as the "Regent of Manchukuo". Inauguration ceremonies were held at the new capital, Changchun, on 9 March 1932. Pu Yi declared the policy of the new State to be founded upon morality, benevolence and love. The next day he appointed the list of principle officials suggested by the Japanese.

Prior to the arrival of Pu Yi, a number of laws and regulations, on which Dr. Chao Hsin-Po had been working for some time, had been made ready for adopting and promulgation. They came into effect on 9 March 1932, simultaneously with the law regulating the organization of the Government of Manchukuo.

Public announcement of the new State of Manchukuo was made on 12 March 1932 in a telegram to the foreign Powers requesting that they recognize the new State. Dr. Okawa stated that Manchukuo was a result of the plan of the Kwantung Army approved by the Japanese Government, and the establishment of the State progressed smoothly, because it had been well planned and prepared

beforehand. Pu Yi says that Manchukuo was under the complete domination of Japan from the beginning.

JAPANESE CABINET APPROVED FAIT ACCOMPLI

ARAKI was right when he said that the Honjo plan was approved by the Cabinet; but it was not so approved until 12 March 1932, after the plan had been executed and after the new State of Manchukuo had come into existence. It was on 12 March 1932, the day that the telegram announcing the formation of Manchukuo to the foreign Powers was sent out, that the Cabinet met and decided upon an "Outline for the Disposition of Foreign Relations Accompanying the Establishment of the New State of Manchukuo". It was decided to render "all sorts of aid" to the new State, short of recognition under international law, and "lead her to fulfill the substantial conditions for an independent state step by step" in the hope that the powers would ultimately recognize her independence. To avoid intervention of the Signatory Powers of the Nine-Power Pact (Annex No. B-100 it was thought best to have Manchukuo declare a policy consistent with the policy of the "Open Door" and in harmony with the principle of equal opportunity guaranteed by the Treaty. The Cabinet also decided that Manchukuo should seize the custom houses and salt tax collecting organs; but that this should be done in such a way as not to "bring about troubles in foreign relations." One method agreed upon for doing this was to bribe the customs officials and replace them with Japanese. It was planned to seize military power in Manchukuo under the guise of subjugating banditry in line with the reservation made

at Geneva. In short, the Cabinet fully realized that the occupation of Manchuria and the establishment of an independent State there by Japan was a direct violation of existing treaty obligations; and it was trying to evolve a plan whereby the reality of the breach could be concealed by an appearance of compliance with the obligations.

THE LYTON COMMISSION ARRIVED IN TOKYO

On the day that the All-Manchurian Convention was being held in Mukden, that is to say on 29 February 1933, the Lyton Commission arrived in Tokyo, where they were received by the Emperor and commenced a series of daily conferences with the Government, including Premier Inukai, War Minister ARAKI, and others. Although these daily conferences continued for eight days, none of these government officials informed the Commission that Japan was forming a new State in Manchuria; and the Commission first learned of this after it had left Tokyo and arrived at Kyoto on its way to China.

On the day that the Commission arrived in Tokyo, KOIDO, was elevated by ARAKI from Chief of the Military Affairs Bureau of the War Ministry to the High position of Vice-Minister of War.

ARAKI DISPATCHED REINFORCEMENTS TO SHANGHAI

The battle which had started at Shanghai on 28 January 1932 had developed to such an extent that the Navy Minister was forced to call upon War Minister ARAKI for reinforcements. The Chinese 19th Route Army was

giving a good account of its fighting ability. Large numbers of Japanese destroyers were anchored in the Hoangpu and Japanese Airplanes were bombing Chapai. The Japanese Marines were using their permanent garrison in Hankow as a base of operations; and barricades erected between this garrison and Chapai served as the front line between the ground forces. The Japanese destroyers firing point blank bombarded the forts at Wu-sung; this fire was not returned by the forts, for they had no guns capable of answering. The Japanese Marines had invaded areas adjacent to the International Settlement, disbanded the police and paralyzed all city functions; a veritable reign of terror was in full swing when the Navy Minister requested these reinforcements. ARAKI states that he conferred with the Cabinet and it was decided to send supporting forces quickly; 10,000 men were dispatched the following day aboard fast destroyers. These reinforcements landed in the International Settlement fully equipped with tanks and artillery. The Navy drew up heavy ships and began shelling the city. However this attack which began on 20 February 1932 brought no marked success despite the fact that it continued for several days. Following this attack, ARAKI claiming that General Ueda had suffered such great losses that it was necessary to send further reinforcements, sent the 11th and 14th Divisions to oppose the Chinese Army which had been defending the City.

THE LEAGUE TOOK ACTION

The League of Nations was aroused to action. The members of the Council, other than China and Japan, addressed an urgent appeal to the Japanese Government on 19 February 1932 calling attention to Article 10 of the Covenant (Annex No. B-6) ; and the Assembly was convened to meet on 3 March 1932.

The American Secretary of State advised the American Consul-General at Shanghai that the Secretary's letter to Senator Borah on the China situation was being released to the Press. In this letter, the Secretary stated that the Nine-Power Treaty (Annex No. B-10) formed the legal basis upon which the "Open Door Policy" rested. He set forth a long history of the Treaty. He commented that the Treaty represented a carefully matured international policy designed to assure to all parties their rights in China and to assure the Chinese the fullest opportunity to develop their independence and sovereignty. He recalled that Lord Balfour, Chairman of the British Delegation, had stated that he understood that there was no representative present at the signing of the Treaty, who thought that spheres of interest were advocated or would be tolerated. The Pact of Paris (Annex No. B-15) was intended to reinforce the Nine-Power Treaty. The two Treaties were interdependent, he said, and were intended to align world conscience and public opinion in favor of a system of orderly development through international law, including the settlement of all controversies by peaceful means instead of arbitrary force. He said, that in the past the United States had rested its policy upon the abiding faith in the future of China and upon ultimate success

in dealing with China upon principles of fair play, patience, and mutual good will.

The British Admiral, Sir Howard Kelly, as one of the many attempts to secure a cessation of hostilities at Shanghai through the good offices of friendly Powers, held a conference on board his flagship on 28 February 1932. An agreement on the basis of mutual and simultaneous withdrawal was proposed; but the conference was unsuccessful, owing to the differing opinions of the parties. As though in resentment of this interference, the Japanese troops occupied the western part of Kiangwan, which had been evacuated by the Chinese, and the Wu-sung forts and fortifications along the Yangtze were again bombed from the air and shelled from the sea, as bombing-planes operated over the whole front including the Hanking Railway and the airfield at Hungjao.

Before the Assembly of the League could meet, the Council proposed a roundtable conference on 29 February to make local arrangements for a cessation of hostilities at Shanghai, both parties agreed to this conference, but it was not successful because of the conditions imposed by the Japanese.

General Shirakawa, who had been appointed to the Japanese supreme command arrived with reinforcements on 29 February. His first order directed the bombing of the airfield at Hangchow, which was approximately 100 miles away. General Shirakawa gained ground slowly as a result of heavy naval bombardment; and after a flank attack on 1 March he was able to drive the Chinese beyond the 20 kilometer limit originally demanded by the Japanese as terms for cessation of the hostilities.

This "face-saving" success permitted the

Japanese to accept the request of the Assembly of the League of 4 March 1932 calling upon both Governments to make a cessation of hostilities and recommending negotiations for conclusion of the hostilities and the withdrawal of Japanese troops. The opposing commanders issued appropriate orders and the fighting ceased; negotiations began on 10 March 1932.

The Assembly continued its investigation of the dispute; and on 11 March 1932, it adopted a resolution to the effect that the provisions of the Covenant (Annex No. B-C) were applicable to the dispute, especially the provisions that treaties should be scrupulously respected, that members should respect and preserve the territorial integrity and political independence of all the members of the League against external aggression, and that the members were obligated to submit all disputes between them to procedures for peaceful settlement. The Assembly affirmed that it was contrary to the spirit of the Covenant that the dispute should be settled under stress of military pressure affirmed the resolutions of the Council of 30 September and 10 December 1931 as well as its own resolution of 4 March 1932, and proceeded to set up a "Committee of Nineteen" to settle the dispute at Shanghai.

Contrary to their obligation, the Japanese took advantage of the truce to bring up reinforcements, which were landed at Shanghai on 7 and 17 March 1932. It was not until 5 May 1932 that a complete agreement was ready for signature. SHIGEMITSU signed for the Japanese. The fighting at Shanghai had been characterized by extreme cruelty on the part of the Japanese. The needless bombing of Chapei, the ruthless bombardment

by naval vessels, and the massacre of the helpless Chinese farmers whose bodies were later found with their hands tied behind their backs, are examples of the method of warfare waged at Shanghai.

This Incident furnishes another example of the Japanese determination to use military force against the Chinese with the might of Japan, using any pretext for the purpose. The ostensible reason for the use of force in this case was the request from some Japanese residents of Shanghai for protection. The Tribunal has no hesitation in coming to the conclusion that the force used was out of all proportion to the existing danger to Japanese Nationals and property.

There is no doubt that at the time feeling was running high and the Chinese boycott of Japanese goods induced at least in part by Japanese action in Manchuria, was being felt. In the light of all the facts the Tribunal is of the opinion that the real purpose of the Japanese attack was to alarm the Chinese by indication of what would follow if their attitude toward Japan continued, and thus break down resistance to future operations. The Incident was a part of the general plan.

MANCHUKUO WAS CONSTITUTED AND OPERATED AS A BUFETI

Manchukuo was definitely a totalitarian State, because of the power vested in the Regent; and those who controlled the Regent controlled the State. Ordinance No. 1, which was promulgated on 9 March 1932, prescribed the organic law for Manchukuo. In formal expression, the position was as follows: the governmental power was divided into four divisions: The Executive, the Legislative, the Judicial and the Supervisory; the Regent as the Chief Executive was the head of the State; all executive power as well as the power to override the Legislative Council was vested in him; the functions of the Executive Department were performed, under the direction of the Regent, by the

Premier and the Minister of State, who formed a State Council or Cabinet: the Premier supervised the work of the Ministries through the powerful General Affairs Board, which had direct charge of their confidential matters, personnel, accounting and supplies; subordinate to the State Council were various bureaus, such as the Legislative Council; but, following the Japanese Constitution, the Regent had authority, when the Legislative Council was not in session to promulgate ordinances upon advice of his Privy Council; and the Supervisory Council supervised the conduct of officials and audited their accounts. The Legislative Council was never organized and legislation was therefore enacted by ordinance of the Regent.

The General Affairs Board, the Legislative Bureau and the Advisory Bureau in practice by way of contrast to form, constituted a Premier's Office. Upon establishment of the State, the Self-Government Guiding Board was abolished and its personnel were transferred to the Advisory Bureau, which continued the work of the Board through the Self-Government Committees previously established in the Provinces and Districts. The General Affairs Board, more than any other, was the agency of the Japanese for effective practical control and domination of every phase of the government and economy of Manchukuo.

The Ministers of State were generally Chinese, but each Minister had a Vice-Minister, who was Japanese. There existed a committee in the Government of Manchukuo not provided for in the Constitution which was known as the "Tuesday Meeting". Each Tuesday, there was a meeting of the various Japanese Vice-Ministers, presided over by the Japanese Director of the General Affairs Board, and attended by the Chief of a Section of the Kwantung Army General Staff.

At these meetings, all policies were adopted, all rescripts, ordinances and other enactments approved; the decisions of the "Tuesday Meeting" were then passed on to the General Affairs Board to be officially adopted and promulgated as an act of the Government of Manchukuo. It was in this manner that Manchukuo was completely dominated by the Kwantung Army. In a telegram sent by General Hongo to War Minister ARAKI on 3 April 1932, Hongo said: "I believe you have no objections that the execution of our policies regarding the whole of Manchukuo should, insofar as it involves negotiations with Manchukuo, be left chiefly to the Kwantung Army. In view of the recent conduct of the Japanese Government Offices and various other representing organs in Manchukuo, however, I fear that unless we make it thoroughgoing, confusion might arise." To this ARAKI replied: "I agree in principle to your opinion regarding unification in the execution of our Manchurian policies."

At first Japanese "Advisors" were appointed to advise all the important government officials of Manchukuo; but shortly after the formation of the State, these "Advisors" became full government officials on the same basis as the Chinese. Over 200 Japanese were holding office in the Central Government along not including those in the War Ministry and Military Forces, during the month of April 1932 - one month after the formation of the State. In most bureaux, there were Japanese advisors, councillors, and secretaries. All important posts in the Supervisory Bureau were held by Japanese. Finally, most of the important officials of the Regency, including the Chief of the Office of Internal Affairs and the Commander of the Regent's Bodyguard, were Japanese. Even the Regent was "supervised" by General Yoshizuka, who was appointed by the

Kwantung Army for that purpose. In short as for the Government and public services, although the titular heads were usually Chinese, the main political and administrative power was held by Japanese officials as advisors, councillors, supervisors and vice-officials.

The Japanese Cabinet at a meeting on 11 April 1933 considered methods for "guiding" Manchukuo and approved the method outlined above. IMAKI was a member of the Cabinet as War Minister at that time. The decision was: "The new State shall employ authoritative advisors from our country and make them the highest advisors in connection with financial, economic and general political problems. The new State shall appoint Japanese nationals to the leading posts in the Privy Council, the Central Bank, and other organs of the New State." The Cabinet then listed the offices of the government of Manchukuo which should be filled by Japanese; these included the Chief of the General Affairs Board and the Chief of each of that Board's section, Councillors and Chief Secretary of the Privy Council, and offices in the Revenue, Police, Banking, Transportation, Justice, Customs, and other Departments. This measure was found to be necessary so that the new State would manifest the "very characteristics that are important factors for the existence of the Empire "in relation to politics, economy, national defense, transportation, communication and many other fields", and so that "a single self-sufficient economic unit comprising Japan and Manchukuo will be realized."

THE CONCORDIA SOCIETY AND THE 'KINSHI KAI'

The Concordia Society (Kyo-wa-kai) was organized by a committee composed of ITOGAKI and others in Mukden

during April 1932. The Kwantung Army Commander was made ex-officio Supreme Advisor of the Society. The special mission of the Concordia Society was to spread the spirit and ideology of the State, the "Kingly Way", and to strengthen Manchukuo so that she could subserve Japan in her struggle against the Anglo-Saxon World and the Comintern. The policy of the Government of Manchukuo was expressed in proclamations issued on 18 February 1932 and 1 March 1932; it was to rule in accordance with the fundamental principle of the "Kingly Way". In this manner, the consolidation of Japan's conquest of Manchuria was accomplished in the sphere of ideological propaganda. No political party other than the Society was allowed in Manchuria. The titular head of the Society was the Prime Minister of Manchukuo; but actually, the leader was a member of the Kwantung Army General Staff.

THE LYTTON COMMISSION VISITED MANCHUKUO

The Lytton Commission arrived in Manchuria in April 1932 and began its work of penetrating the veil of secrecy thrown over the situation by the intimidation of the inhabitants and obstruction of the Committee's efforts by the Kwantung Army and Japanese officials of Manchukuo. Under the excuse of offering "protection" to members of the Commission and prospective witnesses, the Army and the Gendarmes "supervised" their activities and movements. Fu Yi testified that, "We were all under the supervision of the Japanese Military Officers; and wherever Lord Lytton went, he was under the supervision of Japanese Gendarmes. When I interviewed Lord Lytton, many of the Kwantung military officers were beside me exercising. If I had told him the truth, I would have been murdered

right after the mission left Manchuria." Fu Yi delivered to Lord Lytton a statement prepared by Colonel HIRAKI, which Fu Yi now declares did not reflect the true facts. People who spoke Russian or English were carefully supervised during the Commission's stay in Manchuria; some were arrested.

The Chief of Staff of the Kwantung Army suggested, in a telegram sent to the War Ministry on 4 June 1932, that Japan show her contempt of the Lytton Commission by taking over the customs during the visit of the Commission. He said: "It is rather advantageous to take this action during the stay of the League's Inquiry Commission in order to display the independence of Manchukuo, and to indicate the firm resolution of Japan and Manchukuo in respect to the 'Manchurian Incident'."

THE ASSASSINATION OF PREMIER INUKAI

The opposition of Premier Inukai to the establishment of Manchukuo as an independent State cost him his life. The Premier had consistently opposed the recognition of Manchukuo by Japan, maintaining that such recognition would be a violation of the sovereign rights of China.

Within a few days after assuming office as Premier, Inukai sent a secret emissary by the name of Kayano to Generalissimo Chiang Kai-shek to arrange terms of peace. Generalissimo Chiang was highly satisfied with Kayano's proposals and negotiations were proceeding satisfactorily when one of Kayano's telegrams to Premier Inukai was intercepted by the War Ministry. The Secretary of the Cabinet informed Inukai's son that, "Your father is carrying on negotiations with Generalissimo Chiang.

Concerning

"this, the War Ministry is highly indignant." Although the negotiations were abandoned, the friction continued between the Premier and War Minister ARAKI.

The conflict between Premier Inukai and the "Kodo" of "Imperial Way" faction, of which ARAKI was leader at that time, reached the explosion point on 8 May 1932, when Inukai delivered an anti-militaristic and pro-democratic speech at Yokohama. On 15 May 1932, the Premier was ill and temporarily alone in his Official Residence, when several naval officers forced their way into his home and assassinated him. Dr. Gano furnished the pistols for the killing; and HASEGAWA admitted in his book, "The Road to the Reconstruction of the World", that he was implicated in the murder.

Lt. Colonel SUZUKI, who was an official in the Military Affairs Bureau of the War Ministry at that time, warned that if a new Cabinet should be organized under the leadership of political parties, a second or third assassination would occur. He made this warning at a dinner attended by KIDO, KOISO, and SUZUKI at Baron Karada's house two days after the murder. The opposition to the expansionist policy had come largely from representatives of the political parties in Japan.

RECOGNITION OF MANCHUKUO BY JAPAN

ARAKI and KOISO retained their positions, as War Minister and Vice-War Minister respectively, in the new Cabinet; and under their leadership, Manchukuo was recognized by the Government of Japan as an independent State. In replying on 4 June 1932 to a telegram from the Chief-of-Staff of the Kwantung Army, the War Minister said, regarding the question of recognition: "It has a very

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"delicate bearing on various circles at home and abroad, and therefore we are now determined and ready to effect the recognition whenever opportunity offers." He also revealed the plan to rule Manchukuo through the Kwantung Army; he said:

"As regards unification of various organs in Manchuria, we are planning to establish a coordinating organ with the Army as its center, among other things aiming at the industrial development of Manchuria to meet with requirements for speedy stabilization of Manchukuo and national defense. Should such underlying motive by chance leak out at home or abroad, and especially in foreign countries, it would be extremely disadvantageous from the point of view of the direction of Manchukuo. Therefore, we hope that you will be very circumspect even in the study of the matter in your own office." About the middle of June 1932, ARAKI stated before the Supreme War Council that the resolutions of the League of Nations and statements made by Japan in regard to Manchuria before the establishment of Manchukuo could no longer be considered binding on Japan.

The Kwantung Army assisted ARAKI in forcing the Government to recognize Manchukuo by sending a so-called "Peace Mission" to Tokyo in June 1932. The purpose of this mission was to urge the immediate recognition of the new State; it worked in conjunction with the Black Dragon Society, which held conferences at Hibiya Toyoken to assist this "Mission".

In view of the change of Cabinets, the Lytton Commission returned to Tokyo on 4 July 1932 and held a series of conferences with the officials of the new Government in an effort to learn the views of the Cabinet regarding the situation in Manchuria. ARAKI was present at these conferences.

After the Commission returned to Peiping, that is to say on or about 8 August 1932, the "coordinating organ with the army at its center", mentioned by ARAKI in his telegram to the Chief-of-Staff of the Kwantung Army, was established as Planned. The "Four-in-One" system was replaced by the "Three-in-One" system; under this new system, the Commander of the Kwantung Army became the Governor of the Kwantung Leased Territory and at the same time Ambassador to Manchukuo. The new system took effect on 20 August 1932. A change of personnel was made to put this system in effect. Muto, Nobuyoshi, replaced Henjo as Commander of the Kwantung Army. ITAGAKI remained on the Staff of the Kwantung Army and was promoted to the rank of Major General. Vice-Minister of War KOISO was sent to Manchuria as Chief-of-Staff of the Kwantung Army with the concurrent assignment as Chief of the Kwantung Army Special Service Organization, or Intelligency Service.

After the surrender, ARAKI stated: "At the conference of the Big Three (Foreign, Navy and War Ministers), when discussing recognition of Manchukuo as an independent State, I suggested that we exchange Ambassadors since Manchukuo was an independent state. The question came before the Cabinet at a meeting in August 1932. The discussion was as to when Manchukuo should receive recognition - now or later. The Kwantung Army put in a request that we recognize immediately. I set the date of 15 September 1932 as the date to formally recognize Manchukuo. At this meeting we discussed the contents of the Treaty to be entered into with Manchukuo, and I approved the contents agreed upon."

HIRANUMA, as Vice President of the Privy Council, called a meeting of the Council on 13 September 1932 to consider the question of "Signing of the Protocol between

"Japan and Manchukuo," HIRANUMA, who had also been appointed a Member of the Investigation Committee of the Privy Council, read the report of the Committee to the full Privy Council. The report stated, among other things, "Our Imperial Government firmly believed that it would be advisable to recognize that country without delay. Nevertheless, in order to use prudence and caution, our Government watched for half a year the developments in Manchukuo as well as the attitudes of the League of Nations and other countries. Indications are that our country's recognition of that country although it will as may be easily imagined cause for a time no small shock to the world, it will not bring about an international crisis. With the object of co-existence and co-prosperity, our country intends to take measures for recognizing Manchukuo by concluding an arrangement through this Protocol and the Notes exchanged between the two countries."

HIRANUMA was referring to four Notes as follows: (1) The first Note consisted of a letter and the reply thereto. The letter, which was dated 10 March 1932, the day after Pu Yi's inauguration, was addressed by Pu Yi to Honjo. In this letter, Pu Yi stated that he appreciated the efforts and sacrifices of Japan in establishing Manchukuo, but that the development of Manchukuo could not be expected without the support and guidance of Japan. Pu Yi then requested that Japan agree among other things, to the following: (A) Japan to undertake at the expense of Manchukuo, the national defense of the new State and the maintenance of order within the country, with the understanding that Manchukuo would furnish all military facilities required by the Kwantung Army; (B) Japan to undertake to control all existing railroads and other transportation

facilities and to construct such new facilities as may be deemed desirable; and (1) Japanese nationals to serve as government officials in all branches of the Government of Manchukuo, subject to appointment, removal and replacement at will by the Commander of the Kwantung Army. Honjo's reply to the letter was simply that Japan had no objection to Pu Yi's proposals. (2) The second Note was an agreement between the Prime Minister of Manchukuo and Honjo dated 7 August 1932 relating to the control of transportation facilities and making the Japanese control more absolute. (3) The third Note was another agreement between the Prime Minister of Manchukuo and Honjo dated 7 August 1932. It related to the establishment of the Japan Air Transportation Company. This Company was authorized by a Cabinet decision of 12 August 1932 to take over the air-routes which had already been established in Manchuria by the Kwantung Army under the pretext of military communications. (4) The fourth Note was an agreement between Commander Muto and the Prime Minister of Manchukuo dated 9 September 1932 relative to mining concessions in Manchuria.

According to the report read by HIRANUMA, these Notes were to be retroactive to the dates of their signing and were to be deemed international agreements, but were to be strictly secret.

The Protocol, which was to be made public, provided that Japan had recognized Manchukuo; that Manchukuo affirmed all rights and interests possessed by Japan and her subjects in Manchuria at the time of the formation of Manchukuo; and that both parties agreed to

cooperate in the maintenance of their national security, recognizing that a threat to either was a threat to both and giving Japan the right to maintain troops in Manchukuo. The Investigation Committee recommended approval of the Protocol and Notes.

The discussion that followed the reading of the report of the Investigation Committee reveals that the members of the Privy Council fully realized that the proposed Protocol and Notes violated the Nine-Power Pact (Annex No. B-10) and other treaty obligations of Japan. Privy Councillor Okada raised the question. The Foreign Minister had explained to the Diet that Japan would not be violating the Nine Power Pact by recognizing Manchukuo, because Manchukuo had become independent, and Japan had not agreed to prevent the independence of the Chinese people. Okada expressed the opinion that the United States and others would not be satisfied by that explanation. As he explained, "The Americans might say that it would be all right if Manchukuo had become independent by the free will of her own people, but that it was a violation of the Pact and a disregard of China's sovereignty for Japan to assist and maintain that independence." The Foreign

Minister replied: "Of course, in this respect, various views are held in the United States and other countries, but these are their own views." ARAKI explained, "The national defense of Manchukuo is at the same time the national defense of our country". Councillor Ishii stated: "I feel very uneasy about Japan's contention in regard to the connection between the 'Manchurian Problem' and the League of Nations", and he further observed: "It was almost an established view of a large number of the people of the United States and other countries that our action in Manchukuo violated the Pact of Paris (Annex No. B-15) and the Nine-Power Pact." However, Councillor Ishii added: "Now that Japan has concluded an alliance with Manchukuo, for joint national defense I believe that there be no room for opposing the stationing of Japanese troops in Manchuria, this will make the League's past resolution a dead letter." He then observed: "It was rather strange that the Manchurian and Mongolian races had started no independence movement up to now!"

The vote was taken, the Protocol and Notes were approved by unanimous vote and the Emperor withdrew. Ambassador Muto presented the Protocol to the Manchukuoan Prime Minister with the remark, "Here it is. This is the agreement that you have to sign". Although Pu Yi testified that he did not know of the existence of the Protocol up until the day it was presented for signing, he signed it on 15 September 1932.

PREPARATION FOR THE CONQUEST OF JEHOL

Efforts to persuade General Tang Ju-lin, who was Governor of Jehol Province, to declare his Province independent of China and place it under the jurisdiction of Manchukuo proved to be of no avail; therefore, with the conquest and consolidation of the Three Eastern Provinces completed, the Japanese

Army began to prepare for the conquest of Jehol. After the surrender, ARAKI tried to explain the decision to invade Jehol by saying, in speaking of the Privy Council meeting of 17 December 1931 where it was decided according to him - to appropriate funds for the subjugation of Manchuria, "It had been decided that the three provinces comprising Chang Hsueh-liang's territory required pacification; but a statement by Chang to the effect that his jurisdiction extended over four provinces expanded the scene of activities to Jehol".

At the organization of the Supreme Administrative Council by the puppet Governors of the provinces on 17 February 1932, it was provided that Jehol should be represented on the Council; however, Governor Tang Ju-lin ignored the invitation and continued to rule the Province, although the Mongols of the various Leagues within the Province attempted to collaborate with the new State and were claimed as subjects by Manchukuo.

The Japanese, having made their reservation at Geneva, needed only to find an excuse to proceed with their plan for the incorporation of Jehol into Manchukuo. The first excuse was presented when an official by the name of Ishimoto, who was attached to the Kwantung Army, staged a "disappearance" while traveling between Peipiao and Chinchow on 17 July 1932. The Japanese immediately claimed that he had been kidnapped by Chinese Volunteers and sent a detachment of the Kwantung Army into Jehol on the pretext of rescuing Ishimoto. Although the detachment was equipped with artillery, it was repulsed and failed in its purpose, after occupying a village on the frontier of the Province. During this encounter, Japanese planes dropped bombs on the town of Chaoyang; and through the month of August 1932, Japanese planes continued to demonstrate over this part of Jehol Province. On 19 Aug -

ust 1932, A Kwantung Army Staff officer was sent to Nanling, a small village situated between Peipiao and the boundary of Jehol ostensibly to negotiate for the release of Mr. Ishimoto. He was accompanied by an infantry detachment. He claimed that on his return journey, he was fired upon and in self-defense returned the fire. On the arrival of another infantry detachment, as if by pre-arrangement, Nanling was occupied.

Shortly after the engagement at Nanling, a declaration was issued to the effect that Jehol Province was the territory of Manchukuo, thus laying the foundation for its annexation through the action of the Kwantung Army. Military action continued upon one pretext or another, mostly along the Chinchow-Peipiao branch line of the Peiping-Mukden Railway, which is the only means of access to Jehol from Manchuria by railway. This was to be expected as the main lines of communication at that time between China proper and the Chinese forces remaining in Manchuria ran through Jehol. It was evident to casual observers that an invasion of Jehol was imminent and the Japanese Press freely admitted that fact. In September 1932, the 14th Mixed Brigade arrived in Manchuria with the announced mission of "nopping up" bandits in the Tung Pientao, which is the district on the north side of the Yalu River between Manchuria and Korea. The real mission of this brigade was to prepare for the invasion of Jehol.

THE LYTTON COMMISSION REPORTED

In Geneva, the Council of the League met on 21 November 1932 to consider the report of the Lytton Commission, which had been received on 1 October 1932. During the deliberations the Japanese Delegate, Matsuoka, declared, "We want no more territory!" However, due to the fact that Matsuoka re-

fused to agree to any basis for settlement of the dispute, the Council was forced on 28 November 1932 to transmit the report of the Lytton Commission to the Assembly for action.

The Lytton Commission in its report stated: "It is a fact that, without declaration of war, a large area of what was indisputably the Chinese territory has been forcibly seized and occupied by the armed forces of Japan and has, in consequence of this operation, been separated from and declared independent of the rest of China. The steps by which this was accomplished are claimed by Japan to have been consistent with the obligations of the Covenant of the League of Nations (Annex No. B-6), the Kellogg Pact (Annex No. B-15) and the Nine-Power Treaty of Washington (Annex No. B-10), all of which were designed to prevent action of this kind. The justification in this case has been that all the military operations have been legitimate acts of self-defense." However, the Commission further stated in discussing the events at Mukden on the night of 18 September 1931: "The military operations of the Japanese troops during this night, which have been described above, cannot be regarded as measures of legitimate self-defense."

The Assembly of the League met on 6 December 1932; and after a general discussion, adopted a resolution on 9 December 1932 requesting the Committee of Nineteen, which it had appointed on 11 March 1932, to bring about a cessation of hostilities at Shanghai, study the report, draw up proposals for settlement of the dispute, and submit those proposals to the Assembly at the earliest possible moment.

The Committee of Nineteen drew up two draft resolutions and a statement of reasons indicating generally the basis on which it thought it possible to continue its endeavors. On 15 December 1932 the two draft resolutions and the statement of reasons were submitted to the parties. The Chinese and

the Japanese Delegates proposed amendments; and the Committee adjourned on 20 December 1932 to permit discussion of the proposed amendments between the Delegates, the Secretary-General of the League and the President of the Committee.

THE SHANHAIKWAN INCIDENT

Before this discussion proceeded very far, the serious "Shanhaikwan Incident" occurred on 1 January 1933. Situated at the extremity of the Great Wall, halfway between Peiping and Mukden, this city has always been regarded as of great strategic importance. It is on the route followed by invaders, who coming from Manchuria wish to penetrate into what is now the Province of Hopei. Moreover, from Hopei is the easiest route into Jehol.

After Chinchow had been taken, the Japanese had advanced to Shanhaikwan - up to the Great Wall - and taken possession of the Mukden-Shanhaikwan Railway. The railway continues from Shanhaikwan to Peiping, where Marshal Chang-Hseuh-liang was maintaining his headquarters. Although the railway station at Shanhaikwan is just south of the Great Wall, the Japanese trains from Kukden ran to the station; therefore, the Japanese maintained troops at the station under the pretense of guarding the trains. The Chinese trains from Peiping also ran into this station, and the Chinese maintained troops there. The Chinese Commander reported that all had been well at the station until this "Incident" occurred.

The fact that this "Incident" occurred during the discussion of the proposed amendments to the draft resolutions submitted by the Committee of Nineteen strongly suggests that it was planned in order

to simulate justification of the action of the Japanese Government in rejecting all efforts of the Committee to arrive at a basis of settlement between China and Japan.

On the afternoon of 1 January 1933, the Japanese claimed that some Chinese had thrown a hand grenade. This was the excuse for a forthright assault on the walled city of Shan-haikwan. Smaller towns nearby were machine-gunned, American missionary property was bombed, and the fighting developed into old-fashioned trench warfare so that the North China Plain between Peiping and the Great Wall became criss-crossed by hundreds of miles of trenches. Thousands of peaceful citizens were slaughtered; and the Chinese Government addressed an appeal on 11 January 1933 to the signatories of the 1901 Protocol (Annex No. B-2).

JAPAN DECLINED ALL EFFORTS OF THE COMMITTEE OF NINETEEN

The Committee of Nineteen met pursuant to adjournment on 16 January 1933; and submitted to the parties a number of questions and requests for information in an effort to arrive at a basis of settlement between China and Japan. To all of its requests, the Committee received unsatisfactory replies from Japan; and on 14 February 1933, the Japanese Government informed the Committee that it was convinced that the maintenance and recognition of the independence of Manchukuo were the only guarantees of peace in the Far East, and that the whole question would eventually be solved between Japan and China on that basis. This put an end to the Committee's deliberations and it immediately reported to the Assembly.

THE LEAGUE OF NATIONS CONDEMNED JAPAN

The Assembly of the League of Nations on 24 February 1933 adopted the report prepared for it by the Committee of Nineteen condemning Japan as the aggressor in the war between her and China and making recommendations for termination of that war. The Assembly reported that for more than sixteen months the Council of the Assembly had continuously tried to find a solution for the Sino-Japanese dispute; however, the situation tended constantly to grow worse and the "war in disguise" continued. It declared that "Through all its wars and periods of 'independence', Manchuria remained an integral part of China; and that a group of Japanese civil and military officials conceived, organized, and carried through the Manchurian independence movement as a solution to the situation in Manchuria as it existed after the events of 18 September 1931; and, with this object made use of the names and actions of certain Chinese individuals and took advantage of certain minorities and native communities that had grievances against the Chinese administration." The Assembly decided that it could not regard as measures of self-defense the military operations carried out on the night of 18 September 1931 by the Japanese troops at Mukden and other places in Manchuria; and that this applied as well to the military measures of Japan as a whole, developed in the course of the dispute. It also stated that the main political and administrative power in the "Government of Manchukuo" rested in the hands of Japanese officials and advisors, who were in a position actually to direct and control the administration. It

found that the vast majority of the population did not support this "Government", but regarded it as an instrument of the Japanese. The Assembly declared that "It is indisputable that without any declaration of war, a large part of Chinese territory has been forcibly seized and occupied by Japanese troops and that in consequence of this operation, it has been separated from and declared independent of the rest of China." The Assembly found as a matter of fact: "While at the origin of the state of tension that existed before 18 September 1931, certain responsibilities would appear to lie on one side and the other, no question of Chinese responsibility can arise for the development of events since 18 September 1931." This was a finding of aggression against Japan and a warning that similar conduct would meet similar condemnation in the future. Therefore, no person in Japan could rightly say thereafter that he honestly believed that conduct of this kind would be condoned. This Tribunal finds no basis for disagreement with the report adopted by the Assembly of the League on 24 February 1933.

The Accused SHIRATORI, who in his public announcements was one of the foremost assertors of the legitimacy of Japan's actions in Manchuria, expressed the truth in a private letter to Arita, then Japanese Minister to Belgium. Writing in November 1935, and speaking of Japanese diplomats who favored conciliation in international affairs, he said: "Have they enough courage to return Manchuria to China, to get reinstated in the League of Nations, and to apologize to the world for the Crime?"

JAPAN WITHDREW FROM THE LEAGUE OF NATIONS

Rather than fulfill her obligations under the

Covenant (Annex No. B-6) Japan gave notice on 27 March 1933 of her intention to withdraw from the League. The notice stated her reason for withdrawal to be: "That there exist serious differences of opinion between Japan and these Powers (The majority of the Members of the League) concerning the application and even the interpretation of various international engagements and obligations including the Covenant of the League and the principles of international law."

INVASION OF JEHOL

One day after the Assembly adopted its resolution condemning Japan as the aggressor in China, she openly defied the League by invading Jehol Province. Key points along the Great Wall, such as Shanhaikwan and Kiumenkou, fell into the hands of the Japanese as a result of the fighting that followed the "Shanhaikwan Incident", and the strategical situation of Jehol became very critical prior to 22 February 1933. On that date, the Japanese Army, in the name of the puppet State of Manchukuo, sent an ultimatum to China, stating that Jehol was not Chinese territory and demanding that Chinese forces in Jehol Province be withdrawn within 24 hours. The ultimatum was not satisfied and the advance of the Japanese Army began on 25 February 1933. The Japanese advanced in three columns from their bases at Tungliao and Sui-Chung, and not stop until all the territory north and east of the Great Wall was occupied and all the strategic gates along the Great Wall were captured. ITAGAKI and KOISO as staff officers of the Kwantung Army assisted in the completion of the occupation of all Manchuria by 2 March 1933.

TANGKU TRUCE

As a result of its advance to the Great Wall, the Japanese Army was in a favorable position to invade China proper, but time was needed to consolidate and organize its gains preparatory to the next advance; to gain this time, the Tangku Truce was signed on 31 May 1933. Commander MUTO sent representatives, vested with plenary power and armed with a draft of the Truce, which was prepared by the Kwantung Army, to negotiate with the Chinese representatives at Tangku. The Truce as signed provided for a demilitarized zone south of the Great Wall. The terms were that the Chinese forces would first withdraw to a specified line. The Japanese were authorized to observe by airplane from time to time whether the withdrawal was complete; on being satisfied with the withdrawal, the Japanese Army was to withdraw to the line of the Great Wall; and the Chinese forces were not to again re-enter the demilitarized zone.

ARAKI, A POPULAR FIGURE

The successful conquest of all Manchuria by the Japanese forces made War Minister ARAKI a popular figure among certain groups in Japan; and he was constantly in demand as a writer and public speaker. In a motion picture adaptation of one of his speeches made in June 1933 and entitled, "The Critical Period of Japan", he stated the ideals of the Military and revealed their plan to wage wars of aggression in order to dominate all of Asia and the islands of the Pacific. Among other things, he said: "Has peace reigned in Asia during the

"last fifty years? What is the situation in Siberia, Mongolia, Tiber, Singkiang, and China? Are the waves of the Pacific really calm? Can we expect the waves of the Pacific of tomorrow to be as calm as they are today? It is the holy mission of Japan, the Yamato race, to establish peace in the Orient with its ideals and power. The League of Nations does not respect this mission of Japan. The siege of Japan by the whole world under the leadership of the League was revealed by the 'Manchurian Incident'. The day will come when we will make the whole world look up to our national virtues." (On the screen was shown Japan and Manchuria in the center, then China, India, Siberia and the South Seas). "Manchukuo, which was founded by the revelation of Heaven in the form of the 'Mukden Incident', and Japan will work together and will secure permanent peace in Asia." He then defined national defense as follows: "I would not adopt such a narrow view that defense of the nation may be defined in terms of geographical position. It is the mission of the Army to defend the 'Imperial Way', in space, in time, in enlargement and development, in eternity and continuity. Our troops have fought with the everlasting spirit of the song: 'The greatest honor is to die for the Emperor.' Our Country is destined to develop in space. It is of course expected of the Army to fight against those who oppose us in spreading the 'Imperial Way'. Compatriots! Let us look at the situation in Asia. Is it to be left unamended forever? Our supreme mission is to make a paradise in Asia. I fervently beseech you to strive onwards united." (On the screen appeared the words: "Light comes from the East!")

SECTION II. CONSOLIDATION AND EXPLOITATION OF MANCHURIA

REORGANIZATION OF MANCHUKUO

After the signing of the Tangku Truce, Manchukuo was re-organized so as to strengthen Japan's control over that puppet State and to facilitate the economic exploitation of Manchuria in preparation for continuation of the war of aggression against China and the waging of wars of aggression against other Nations, who might oppose her domination of Asia and the Islands of the Pacific.

The Japanese Cabinet decided on 8 August 1933 to "develop Manchuria into an independent Nation possessing indivisible relations with the Japanese Empire." Control of Manchukuo was to be "executed by Japanese officials under the jurisdiction of the Commander of the Kwantung Army." The aim of the Manchurian economy was to be "The unification of Japanese and Manchurian economies in order to establish securely the foundation for the expansion of the Empire's economic powers to the whole world." "Co-existence and co-prosperity of Japan and Manchuria" was to be "restricted by the demands of the national defense of the Empire." ARAKI, who was a member of the Cabinet at the time this decision was made, had defined national defense in no uncertain terms. The concrete plan for the execution of this policy was to be approved by the Cabinet only after careful investigation, it was decided.

The investigations were not completed until after DOHIMARA had been assigned to the Headquarters of the Kwantung Army on 16 October 1933, and HIROTA had

became Foreign Minister on 14 September 1933. However, on 22 December 1933, the Cabinet, with ARAKI and HIROTA present, decided that: "It seems that the Manchurian Government is considering a swift reformation to Monarchy as soon as possible. It must be made clear that the enforcement of the Monarchy is not the restoration of the Tsing Dynasty, but the foundation of a constitutional monarch; and all causes of hindrances to the development of the national policy must be nullified, especially to contribute to the strengthening and expansion of the Japanese and Manchurian national defense power necessary to overcome the international crisis which we may encounter before long." It was decided: that the General Affairs Board of Manchukuo should be strengthened; that basic reformation of the internal structure of the Government of Manchukuo should be exercised, especially upon the personnel; and that the "existing conventions and agreements between Japan and Manchukuo should be acknowledged by the Monarchy."

This, be it noted, was the Cabinet of Japan formulating its decisions as to the manner in which Manchukuo would be governed, a country which it was proclaiming to the World as independent. The astounding thing is that the pretence was still maintained before us and supported by hundreds of pages of evidence and argument.

No better proof that this dependent status of Manchukuo did not change can be found than the telegram from Foreign Minister TOGO to the Commander of the Kwantung Army UMEZU dated 4 December 1941, which was only three days before the attack upon Pearl Harbor. In that telegram, TOGO gave the following instructions: "On the

"fourth, in a Joint Conference with the Government Control Board, we decided upon steps which we will have Manchukuo take in case the international situation turns critical. Differing from that I said in my telegram No. 873, our policy was changed as follows: 'When the the Japanese Empire commences hostilities, for the time being Manchukuo will not participate. Because Manchukuo is closely bound up with the Japanese Empire and because England and the United States and the Netherlands have not recognized the Government of Manchukuo, as a matter of fact, Changchun will regard those three nations as de facto enemies and treat them accordingly.'"

The next step in the reorganization was the enthronement of Pu Yi as Emperor of Manchukuo. After the Cabinet decision of 22 December 1933 General Hishikeri, who had succeeded General MUTO as Commander of the Kwantung Army, called up Pu Yi and told him that he planned to convert Manchukuo into an Empire. A new set of Organic Laws were promulgated for Manchukuo on 1 March 1934. These laws provided for an Emperor to rule Manchukuo and prescribed his powers, however they did not materially change the general construction of the Government. Japanese continued to hold important positions in the Government; the "Tuesday Meeting" was retained as the policy making organ; and General Yoshioka continued with his assignment of "supervising" the Emperor, even to the day of his capture after the surrender. On the day that the new laws were promulgated, Pu Yi, after paying obeisance to Heaven at a temple in Changchun, was enthroned as Emperor of Manchukuo. However, he had no power. Although he was allowed to give audience to his Ministers once a year, that audience was carefully supervised by the Japanese Director of the General Affairs Board.

Having installed Pu Yi as Emperor of Manchukuo and revised the laws of that State to facilitate its economic exploitation, the Cabinet met on 20 March 1934 to discuss the policy to be followed in carrying out that exploitation. Although ARAKI had resigned as War Minister on 23 January 1934 to become a Supreme War Councillor, Foreign Minister HIROTA was present at this Cabinet meeting. It was decided that fundamental policy would be "based on developing Manchukuo as an independent Nation possessing an indivisible relationship with Japan, establishing securely the base of Japan's world-wide economic expansion, and strengthening Manchukuo's economic powers." Transportation, communication and other enterprises in Manchukuo

were to be developed by special companies directly or indirectly under the supervision of Japan so as to contribute to the "national defense" of the Empire.

As though to remove all doubt regarding Japan's intentions toward China, HIROTA's Foreign Office issued a statement on 17 April 1934, which has come to be known as the "Hands Off China Statement" or the "Amau Statement", deriving the first name from its contents and the second name from the official who gave the statement to the Press. Amau was not only an official of the Foreign Office but also its official spokesman. On 25 April 1934, Foreign Minister HIROTA during an interview with the American Ambassador in Japan on his own initiative referred to the "Amau statement"; he stated that under questioning of newspaper men Amau had given out the statement without his approval or knowledge and that the World had received a wholly false impression of Japanese policy. HIROTA added that the policy of Japan was complete observance and support of the provisions of the Nine-Power Treaty (Annex No. B-10) in every respect. HIROTA's statement to the American Ambassador was a private statement, not a public statement. The "Amau Statement" was never publicly repudiated. Amau was regarded by the expansionists as a hero for having issued the Statement; and Foreign Minister HIROTA never disciplined him for having issued the Statement without authority of the Foreign Ministry. This statement conforms closely to subsequent developments in Japanese foreign policy; and the Tribunal finds upon the evidence that it was an official declaration by the Foreign Ministry of Japan's policy toward China at the time and was issued for the purpose of warning the Signatory Powers of the Nine-Power Pact that the Japanese Government would not tolerate any interference with her plans in China.

This Statement contained, among other things, the following:

"Owing to the special position of Japan in her relations with
"China, her views and attitude respecting matters that concern
"China, may not agree with those of foreign nations; but it
"must be realized that Japan is called upon to exert the utmost
" effort in carrying out her mission in "fulfilling her special
"responsibilities in East Asia. We oppose, therefore, any at-
"tempt on the part of China to avail herself of the influence
"of any other country in order to resist Japan. Any joint ope-
"rations undertaken by foreign Powers even in the name of tech-
"nical or financial assistance at this particular moment after
"the 'Manchurian and Shanghai Incidents' are bound to acquire
"political significance. Japan, therefore, must object to such
"undertaking as a matter of principle."

"TWO-in-ONE" SYSTEM

The Kwantung Army received a new Commander and a new Vice Chief-of-Staff on 10 December 1934, namely: MINAMI and ITAGAKI respectively. These appointments heralded the completion of the reorganization of Manchukuo and the machinery for its control by Japan. By Imperial Ordinance the Japanese Government created the Manchurian Affairs Bureau to deal with affairs concerning Manchukuo in all Ministries. The Bureau was organized to correspond to the new "Two-in-One" organization in Manchuria. The Commander of the Kwantung Army became Ambassador to Manchukuo as before, but the Office of Governor of the Kwantung Leased Territory was abolished and its duties were taken over by the Director of the Newly created Kwantung Bureau, which was placed under the Ambassador. Thus MINAMI became Commander of the Kwantung Army; and at the same time as Ambassador, he controlled the Government of the Leased territories, the Embassy and the South Manchurian Railway Company. Although the Manchurian Affairs Bureau came under the Premier, the War Minister held the post of

President of the Bureau, so that the effective control of Manchukuo remained with the Kwantung Army and the War Ministry. MINAMI stated on interrogation that as Ambassador his prime duty was "to preserve the independence of Manchukuo". At that time he advised the Government "on such matters as agriculture, transportation, education, etc." Upon being asked the question: "In fact, your advice in substance was a direction; was it "not?", he replied: "You might say so --Yes." MINAMI was succeeded as Ambassador and Kwantung Army Commander by General Ueda on 6 March 1936, who served until he was replaced by General UMEZU on 7 September 1939. UMEZU held the post until 18 July 1944.

MANCHURIAN AFFAIRS BUREAU

As mentioned, the Manchurian Affairs Bureau was organized to deal with affairs concerning Manchukuo in all Ministries and set as the connecting link between the Japanese Government and the "Two-in-One" Administrator in Manchuria. It took charge of all matters concerning the Kwantung Bureau, the foreign affairs of Manchukuo, the corporations organized to exploit the economy of Manchuria, the colonization of Manchuria by the Japanese, cultural works for Manchukuo - which probably included the opium trade -, and any other matters concerning Manchuria or the Kwantung Territory. By virtue of their positions as War Minister the following Accused served as President of this Bureau: ITAGAKI, HATA and TOJO. Also OKA and STAO each served as Secretary of this Bureau. The following served as Councillors to the Bureau at one time or another: KAYA, MUTO, STAO, SHIGEMITSU, OKA, UMEZU and TOJO.

CONTROL OF PUBLIC OPINION IN MANCHURIA

In order to control the new coming out of Manchuria and direct propaganda, the Kwantung Army Commander, or "Two-in-One" control organ, organized all the Press and new agencies in Manchuria. All the agencies, which up to that time had been under the Japanese Government, the Manchukuo Government or the Manchurian Railway Company, were organized into an association, which was known as the Koho Association. This association was charged with the duty of rigidly supervising all domestic and foreign new releases, and deciding the policy and means of propaganda as well as enforcing that policy upon its member agencies and those agencies not members.

HOSHINO BECAME DIRECTOR OF THE ECONOMY OF MANCHURIA

Under the new organization of Manchukuo, HOSHINO became the undisputed ruler of the economy of Manchuria. He began his training for this work when he left Japan on 12 July 1932 at the instance of the Japanese Minister of Finance to accept an appointment as a Commissioner in the Finance Ministry of Manchukuo. He was told at that time that he was considered competent for the position as Chief of the General Affairs Board, the all-powerful agency of the Kwantung Army for control of the Manchukuoan Government. He was advanced by successive promotions to the position promised. Just before the completion of the reorganization of Manchukuo, he was appointed on 1 July 1934 as Chief of the General Affairs Bureau in the Finance Ministry of Manchukuo. Then on 9 June 1936, he became Vice-Minister of Finance for Manchukuo. On 16 December 1936, he became Chief of the General Affairs Bureau of the General Affairs Board, where he served until his elevation to the high office of Director of the Board on 1 July 1937. He continued in this office until relieved to become President of the Cabinet Planning Bureau in Tokyo on 21 July 1940. Any exposition of the economic exploitation of Manchuria is essentially a story of HOSHINO. When he left Tokyo in July 1932 to become a Commissioner in the Manchukuoan Finance Ministry, he took with him a trained Staff to assist him in his duties; and he soon became recognized in Manchuria as the Japanese official in charge of economic affairs under the authority of the Kwantung Army.

ECONOMY OF MANCHURIA SEIZED

At the very outset of the military occupation, the Japanese seized control of the economy of Manchuria. The first public utility seized was the railroads. All the Chinese-owned railways north of the Great Wall, and the monies standing to their credit in banks in Manchuria, were seized. All railroads were co-ordinated, connected with, and placed under the management of the Japanese Government agency known as the South Manchurian Railway Company. Electrical supply and distribution systems were quickly taken over. All sources of revenue were taken by force and the revenues expended to finance the new Government. The customs were seized on the pretense that Manchukuo was an independent state. The Central Bank of Manchukuo was established on 14 June 1932 to replace the old provincial banks and the Frontier Bank, whose funds were used to capitalize the new organization. A new currency was issued by the Central Bank beginning on 1 July 1932. The telephone, telegraph and radio systems, being state owned, were seized and placed under Japanese control. On 14 April 1932, special officers were appointed to take charge of the Postal Administration; they had taken complete charge of this service by 26 July 1932. In all of these public services, Japanese officials and advisors were placed in the main political and administrative offices and exercised effective control of the organizations. The Japanese Cabinet confirmed this practice in its decision of 11 April 1932. It was soon after this decision that HOSHINO was sent to Manchuria. He was redognized authority on fiscal and economic problems and was sent to Manchuria to organize its economy.

KWANTUNG ARMY'S ECONOMIC PLAN FOR GUIDING MANCHUKUO.

On 3 November 1932, after HOSHINO's arrival in Manchuria in July, Chief-of-Staff KOISO of the Kwantung Army, sent a telegram to the Japanese War Ministry outlining his plan for "guiding" Manchukuo. He said: "The administration shall be "backed for the time being by inner leadership of the Commander "of the Kwantung Army and shall be carried out with officials "of Japanese lineage as its leaders. Economically, co-prosperity and co-existence shall be the basic principle. In the "future, the system accompanying the establishment of a unit "for an economic 'bloc' between Japan and Manchukuo shall be "kept according to the race coordinate to Japan and Manchukuo. "In order to realize the organization of the economy of Japan "and Manchukuo into a single 'bloc', we must realize industrial-ly the idea of 'Fit Industry for Suitable Locality' both in "Japan and Manchukuo with the aim of abolishing the mutual customs barriers." All plans adopted thereafter by the Japanese Cabinet for the control and exploitation of the Manchurian economy were based upon these ideas.

ECONOMIC CONSTRUCTION PROGRAM FOR MANCHUKUO

The day before the conquest of Jehol was completed, that is to say on 1 March 1933, the Government of Manchukuo promulgated an "Economic Construction Program for Manchukuo". The Japanese Cabinet approved the essential features of this "Program" in its decision of 8 August 1933 as related. In the announcement of the "Program", it was stated: "Efforts will be made to promote a healthy and vigorous development of the whole "national economy by applying to capital such State control as "may be necessary in

"view of the evils of uncontrolled capitalistic economy and by
"making the most of the uses of capital." It was announced that
"economic development was to proceed upon the following basic
"principles: (1) "To apply state control and take measures in
"regard to the important branches of economic activity, in or-
"der effectively to open up the various national resources with
"which this country is endowed and to promote a co-ordinated
"development in all fields of economic endeavor; (2) To aim
"at the coordination and rationalization of the East Asian eco-
"nomy, to place the emphasis on co-ordination with the good neigh-
"bor Japan in view of the economic relationship of mutual de-
"pendence between the two countries, and to make increasingly
"closer this relationship of mutual helpfulness." In accordance
with basic principles, it was announced that the Government pro-
posed "to make it a guiding principle that important enterprises
"of the nature of national defense or public utilities should
"be managed by public bodies or special companies."

At the Japanese Cabinet meeting of 20 March 1934, which was
after the reorganization of Manchukuo and the installation of
Pu Yi as Emperor, this "Program" received further sanction of
the Cabinet and it was decided that those industries necessary
for "national defense" should be operated by special companies,
which should hold a dominant position in the business in Manchu-
kuo, so that rapid development might be expected. The organiza-
tion and operation of these special companies created monopolies
in favor of the Japanese and effectively defeated the "Open
Door Policy" in Manchuria. The United States and other Powers
protested this unwarranted violation of existing treaty obliga-
tions intended to insure "equal opportunity" for trade in China.

However, the Japanese Government disclaimed all responsibility for the violation of treaties by Manchukuo on the theory that Manchukuo was an independent State.

JAPAN-MANCHUKUO JOINT ECONOMIC COMMITTEE

A Joint Economic Committee was established in 1935 by an agreement between Japan and Manchukuo. The agreement provided that the Committee was to consist of eight members, four from each country. Japan's members were to be: Chief-of-Staff of the Kwantung Army; the Councillor of the Embassy in Manchukuo; the Chief of the Kwantung Bureau; and one member specially appointed by the Japanese Government. It is to be noted that the Commander of the Kwantung Army automatically controlled three votes by this arrangement. Manchukuo's members were to be: the Ministers of Foreign Affairs, Commerce and Industry, and Finance, and the Japanese Director of the General Affairs Board. All questions before the Committee were to be decided by majority vote. In answer to a question put to him at the Privy Council meeting on 3 July 1935 during discussion of the question of ratification of the Agreement, HIROTA said: "I ask him (Councillor Motoda) to consider the fact that three out of the "four members of the Committee from Manchukuo are Ministers and "the remaining one is the Director of the General Affairs Board, "who is, and will be a Japanese forever, I am confident. Al- "though he is an official of Manchukuo, he is a central organ "assuming leadership of that country. Therefore, in case of a "difference of opinions between the two countries, it cannot "be imagined that he will make any decision that will be dis- "advantageous to Japan." The Committee was to deliberate on all questions concerning the economic tie between the two countries and

supervise the Joint Holding Company to be organized by Japan and Manchukuo later to control the industries of Manchukuo; however, it was provided that matters important to the economic ties of both Governments, but which were in Japan's power would not be discussed by the Committee; and because they were not to be deliberated by the Committee, those matters were to be made into unilateral contracts binding only upon Manchukuo. HOSHINO became a member of this Committee upon his appointment as Director of the General Affairs Board of Manchukuo. MINAMI was a member from the time of the creation of the Committee in 1935 until he was relieved as Commander of the Kwantung Army on 6 March 1936. UMEZU served on the Committee while Kwantung Army Commander from 7 September 1939 to 18 July 1944. ITAGAKI, who became Chief-of-Staff of the Kwantung Army on 23 March 1936, became ex-officio a member of the Committee on that date. Thus ITAGAKI was one of the foremost figures in the construction of Manchukuo. Others who served on this Committee while Chief-of-Staff of the Kwantung Army were: TOJO, who served from 6 March 1937 to 30 May 1938, when he became Vice-Minister of War; KIMURA, who served from 7 November 1940 to 21 April 1941. Upon being appointed Vice-Minister of War, TOJO retained his post as a member of the Committee, but in the capacity as the Government Representative rather than as Chief-of-Staff.

YEN BLOC ORGANIZED

One of the first acts of this Joint Economic Committee was to integrate the currencies of the two countries. In November 1935, the yen bloc was established and Manchukuo's currency was no longer based on silver and was stabilized at par with the yen.

RELEASE OF EXTRA-TERRITORIALITY

The next important economic arrangement made by this Joint Economic Committee was a Treaty which was signed between Manchukuo and Japan on 10 June 1936. The purpose of the Treaty appears to have been to give Japanese all the benefits of Manchukuoan citizenship without imposing on them the corresponding obligations. The Treaty recited that its purpose was to abolish by progressive stages the rights of extra-territoriality enjoyed in Manchukuo by Japan. However, it recited that "Japanese subjects shall be free within the territories of Manchukuo to reside and travel and engage in agriculture, commerce and industry, and to pursue calling and professions, and shall enjoy all the rights relating to land." A Supplementary Agreement went much more into detail and set out at great length the rights of Japanese in Manchukuo.

one of these provisions was, "The Government of Manchukuo shall speedily take necessary steps in order that the rights of lease by negotiation hitherto possessed by Japanese subjects shall be converted into land-ownership or other rights relating to land." Thus was settled the highly controversial question involving the right to lease land growing out of the Notes attached to the Sino-Japanese Treaty of 1915. This was very important, for Japan was colonizing Manchuria at a rapid rate. Between 1936 and 1940 approximately 221,000 Japanese migrated to Manchuria. By 1945, this number exceeded 1,000,000. Most of the Japanese men settling in Manchuria were fit soldiers and were used to man new Divisions of the Kwantung Army. The land for settlement of these Japanese were requisitioned at a nominal price and the Chinese farmers so dispossessed were moved and allotted undeveloped lands.

INDUSTRIAL BANK OF MANCHUKUO

The Industrial Bank of Manchukuo, which was organized in December 1936, with a capital of 60 million yen, served as an easy means of financing preferred industries to be developed under the Japanese Cabinet Policy. This bank handled all loans made for industrial purposes in Manchukuo. The Manchurians were permitted to make deposits in the Central Bank of Manchukuo and its branches, but they were not allowed to borrow from the Industrial Bank; only Japanese were allowed to borrow from that Bank. A law of savings was enacted to force the people to save money and deposit it in the Central Bank for the Japanese. At the time of the surrender, approximately 600 million dollars were in this Bank - all the result of the compulsory savings law.

SECOND PERIOD CONSTRUCTION PLAN

HOSHINO said during his interrogation that instead of the haphazard development of the first five year period from 1931 to 1936, it was deemed necessary that a concrete, coordinated plan be formulated for the development of Manchukuo. HOSHINO, working with various Ministries of Manchukuo, the Cabinet Planning Bureau, the South Manchurian Railway Company, and ITAGAKI as Chief-of-Staff of the Kwantung Army, drew up an "Outline of Five year Plan for Industrial Development of Manchukuo", which was completed in January 1937. HOSHINO says that the Commander of the Kwantung Army had the "final say" on all questions involving this plan. This Second Five Year Plan followed the basic principles underlying the First Five Year Plan and laid emphasis on opening up resources in Manchukuo and making them available for "national defense", that is to say "war". The outline of the plan declared the policy with regard to mining and industries to be, "that munition industries for weapons of war, airplanes, automobiles, and rolling-stock will be firmly established, and basic major industries such as those of iron, liquid fuel coal and electric power will be developed, and emphasis will be laid especially on the development of iron and liquid fuel industries, which materials are necessary for national defense."

This plan was adopted at a conference of Provincial Governments and the Chiefs of the General Affairs Bureau of the various Ministries in Manchukuo in January 1937. On 17 February 1937, the Government of Manchukuo issued its "Official Report on the Result of the First Period Five Year Administration and Outline of the Second Period Construction Plan". The outline stated:
"Five

"Years have elapsed since Manchukuo founded her country. In
"this period, the administrative and economic system have been
"rearranged, and the second 'Five Year Plan' will be inaugu-
"rated in 1937, with which epoch-making construction activity
"will be commenced dashingly". In effect, the second plan of
the Kwantung Army for the exploitation of the economy of Man-
churia was to be adopted without change.

The Industrialist Aikawa was sent to Manchuria to help direct the five year plan. He favored a huge holding company to control all industries in Manchuria, especially the heavy industries such as coal and steel.

CONTROL OF INDUSTRIES

On 1 May 1937, Manchukuo promulgated a "Law Controlling "Important Industries", which was so drawn as to provide for the licensing of "Important Industries", practically all industries being classified as "Important" under the law. The law promulgated in order to coordinate the economy of Manchuria with that of Japan. The "Essentials of the Five Year Program for "Important Industries" released by the Japanese War Ministry on 29 May 1937 contained the following: "We plan systematically to promote the activity of important industries generally, so that by 1941, if anything happens, our country may be capable of self-supplying the important materials in Japan, Manchuria and North China." The plan then went on: "In promoting important industries for national defense, the requisite industries should be pushed ahead to the continent as far as possible according to the principle of 'Fit Industry for Suitable Locality'". It was in order to enforce this rule of "Fit Industry for Suitable Locality" that the "Law Controlling Important Industries" was promulgated by the puppet Government in Manchukuo.

MANCHURIAN HEAVY INDUSTRY DEVELOPMENT CORPORATION

The Cabinet decided on 22 October 1937 to establish the Manchurian Heavy Industry Development Corporation "in order to secure and advance the developing policy of Manchurian Industry and to establish synthetically and speedily the heavy industry of Manchukuo". This was to be a huge holding company; and its shares were to be held

only by Manchukuo, Japan and their nationals. The original issue of stock was to be sold one-half to the Government of Manchukuo and one-half to Japanese private interests. The management of this company was to be "entrusted to a powerful suitable person among the Japanese civilians. The powerful suitable person among the Japanese civilians is prearranged as Aikawa, Cisuke, "the present President of Nissan." The Directors and the President of the Company were to be appointed by the two Governments. Pursuant to this Cabinet decision an agreement was entered into with Manchukuo for the establishment of the Company.

MANCHUKUO A WORK-HOUSE FOR JAPAN

The economic organization completed by Japan with the organization of the Heavy Industry Development Corporation, proved to be of benefit only to Japan and the Japanese. Its sole purpose was to make of Manchuria a work-house for the production of war goods for use by Japan. The effectiveness with which this purpose was realized is vividly expressed by HOSHINO, the one man more responsible than any other for such success; he stated that Japan took everything out of Manchuria which could be obtained. Since Chinese business men were not allowed to enter important industries and were not allowed to make loans, most of them went into bankruptcy. The Chinese farmers lost their lands to Japanese immigrants. The saving law reduced the Chinese laborer to working for mere subsistence. The monopolies on rice and cotton deprived the Chinese of adequate food and clothing, in order to furnish the best rice and cotton for Japan's Army. A labor and civil service law was put into effect by UMEZU while he was Commander of the Kwantung Army, which required all persons between 18 and 45 to render labor service to the Japanese Army in opening highways, digging mines, and constructing

public works. These laborers were kept in concentration camps where they were fed short rations and furnished no medical attention whatever. Heavy penalties were imposed for escape. In the result a system was developed whereby the Japanese came first, Koreans second, and Chinese last.

OPIUM AND NARCOTICS

In order to finance her operations in Manchuria and also in order to weaken the power of resistance of the Chinese, Japan sanctioned and developed the traffic in opium and narcotics. As early as 1929, the National Government of China was making an effort to fulfill its obligations under the Opium Conventions of 1912 and 1925. (Annex No. B-11 & B-12). That Government had issued its laws for the prohibition of Smoking Opium, effective as of 25 July 1929. The plan was gradually to suppress the production and consumption of opium by 1940. Japan as a signatory to the above opium conventions was obligated to assist the Chinese Government in the eradication of the drug habit by limiting the manufacture and sale of the drugs within her territory and by preventing smuggling of the drugs into China.

The principal source of opium and narcotics at the time of the Mukden Incident and for some time thereafter was Korea, where the Japanese Government operated a factory in the town of Seoul for the preparation of opium and narcotics. Persian opium was also imported into the Far East. The Japanese Army seized a huge shipment of this opium, amounting to approximately 10 million ounces and stored it in Formosa in 1929; this opium was to be used later to finance Japan's military campaigns. There was another source of illegal drugs in Formosa. The cocaine factory operated at Sinei by Finance Minister Takahashi of Japan until his assassination in 1936, produced from 200

to 300 kilos of cocaine per month. This was one factory that was given specific authority to sell its produce to raise revenue for war.

Wherever the Japanese Army went in China, Korean and Japanese drug peddlers followed closely upon its heels vending their merchandise without hindrance from the Japanese authorities. In some cases, these traffickers were sent ahead of the invading Army to prepare a way for it by engaging in intrigue, espionage and sabotage; such seems to have been the case in North China and also in Fukien Province, where the Genki Plot was perpetrated. Even the Japanese soldiers and their officers at times indulged in this lucrative business of vending opium and narcotics. The Japanese Special Service Organization was charged with the duty of regulating the opium and narcotic traffic in territories immediately following their capture; and this organization in the Kwantung Army became so involved in the illicit traffic under KOISO that it was necessary for MINAMI, when he became Commander of the Kwantung Army in December 1934, to abolish the organization to prevent it from destroying all discipline in that Army. DOHARA was one of the foremost officers of this organization; and his connection with the drug traffic has been fully shown.

The general principle of gradual suppression of the traffic in and use of opium and narcotics was the underlying principle not only of the drug laws promulgated by China, but also of the international Opium Conventions of 1912, 1925, and 1931 (Annexed No. B-11, B-12, B-13). Japan, having ratified those Conventions, was bound by them. Using this principle of gradual suppression to their advantage, the Japanese promulgated Opium Laws in the territories occupied by them in China; these laws ostensibly followed the principle of gradual suppression by licensing known addicts to smoke in licensed shops.

However, these laws were merely a blind or cover for Japan's real intention and operations. These laws created government controlled monopolies for the distribution of opium and narcotics to licensed shops; and these monopolies were nothing more than revenue collection agencies, which encouraged the use of the drugs in order to increase the revenue therefrom. In all areas occupied by the Japanese the use of opium and narcotics increased steadily from the time of such occupation until the surrender.

This was the procedure followed in Manchuria. In the Fall of 1932, the Opium Law was promulgated by Manchukuo and the Manchukuo Opium Monopoly Administration was created as the administrative agency to enforce the law. This agency was under the general supervision of the Director of the General Affairs Board and became one of the important sources of revenue for Manchukuo. The reliability of the revenue from these sources is attested by the fact that the Industrial Bank of Japan was willing to underwrite the 30 million yen founding bond issue secured by the opium revenue of Manchukuo and negotiated by HOSHINO soon after his arrival in Manchuria.

This procedure was repeated in North China and again in South China; however, the administrative agency in those places was the Ko-A-In or China Affairs Bureau, which maintained its main offices in Tokyo with branch offices all over North, Central and Southern China. These organizations created such demand for opium that the Cabinet was forced from time to time to authorize the farmers of Korea to increase their acreage devoted to growing poppies. The trade became so lucrative that Japanese trading companies, such as the Mitsubishi Trading Company and Mitsui Bussan, were induced by the Foreign Ministry to sign a contract limiting their trade areas and the amount of opium to be supplied by them.

Japan's real purpose in engaging in the drug traffic was far more sinister than even the debauchery of the Chinese people. Japan having signed and ratified the Opium Conventions was bound not to engage in the drug traffic, but she found in the alleged but false independence of Manchukuo a convenient opportunity to carry on a world wide drug traffic and cast the guilt upon that puppet State. A large part of the opium produced in Korea was sent to Manchuria. There opium grown in Manchuria and imported from Korea and elsewhere was manufactured and distributed throughout the world. In 1937, it was pointed out in the League of Nations that ninety per-cent of all illicit white drugs in the world were of Japanese origin, manufactured in the Japanese concession in Tientsin, Dairen and other cities of Manchria, Jehel and China, always by "Japanese or under Japanese supervision.