THE SINO-JAPANESE CONFLICT

A Brief Analysis

I. The Aims of the Japanese Empire
II. A New China in the Making
III. China and Japan at the Outbreak of War
IV. What Will the Outcome Be?

By
M. HSITIEN LIN, PH.D.
Published in New York
September 1937

With the compliments of
Chinese Cultural Society
5 East 57th Street
New York, N. Y.
THE SINO-JAPANESE CONFLICT

We shall not forsake peace until there is no hope for peace. We shall not talk lightly of sacrifice until we are driven to the last extremity, which makes sacrifice inevitable. The sacrifice of an individual is insignificant, but the sacrifice of a nation is a mighty thing. For the life of an individual is finite, while the life of a nation is eternal.—Chiang Kai-shek.

A great human catastrophe is pending in the Far East today. The Japanese army and navy have embarked upon a grandiose scheme of war and conquest, and the Chinese Government has determined to fight the aggressor-invader to the bitter end. The two nations are plunging into a life-and-death struggle, the consequences of which to humanity and to civilization are certain to be frightful and disastrous. The military high command in Tokyo has become so inordinate in its lust for power that it has refused to listen to words of reason and caution; while the Chinese nation, having suffered a long series of humiliations and deprivations, can no longer endure any further encroachments upon its independence and freedom, its territorial and administrative integrity. The interplay of these opposing forces has led to the present outcome, an armed conflict on a gigantic scale between the two major powers of the Far East.

I. The Aims of the Japanese Empire

It is now clearly evident that Japan aims at building a great Asiatic Empire, which would include not only the whole of China but also Siberia, the South Sea Islands, and the British colonies and dependencies in the Far East. Japan plans not only to dismember China,¹ but also to force the U. S. S. R., the Dutch Empire, and the British Empire out of the Far East.² This is no idle dream of the Islander, but a systematic delusion of grandeur which compels the Japanese unwittingly to push the Empire to the continental west and the oceanic south.

²See Tota Ishimaru, Japan Must Fight Britain (New York, 1936). See also Captain Wagner, "Der Politische Charakter des Japanischen Handels," Deutsche Wehr, September 30, 1934; "Japanese trade is a material and important state-political factor. Her ambition can be clearly traced: Great Britain, principally the Asiatic part of the British Empire, and the U. S. S. R.; Great Britain must be systematically squeezed out of the Asiatic colonies and dependencies, and strongholds must be systematically established in the countries bordering on the U. S. S. R."
To carry out its continental policy, Japan must first of all occupy Manchuria, which "is the life line of Japan." And to realize its oceanic ambition, Japan must seize at the earliest opportune moment the rich islands in the South Seas, which constitute "the feeding line of Japan." The successful execution of the continental and maritime policies would be culminated by the establishment of the Asiatic Empire.

With the Japanese policy of expansion China is naturally the first nation to come into conflict. In 1931, under the pretext of a bomb explosion on the South Manchurian railway, Japan forcibly occupied the three northeastern provinces of China and subsequently established the puppet state of Manchuria under its protection and domination. On this occasion, China appealed to the League of Nations, invoking Article XI of its Covenant. Whereupon the League appointed a commission of inquiry, headed by Lord Lytton, "to study on the spot and report to the Council on any circumstance which, affecting international relations, threatens to disturb peace between China and Japan." It is well known that the Commission after long investigation found that the "bomb explosion" on the South Manchurian railway was not sufficient to justify military action and that the operation of the Japanese troops could not be regarded as measures of legitimate self-defense. The Commission recommended the dissolution of the puppet regime, which is not "compatible with the fundamental principles of existing international obligations, nor with the good understanding between the two countries upon which peace in the Far East depends"; and suggested a settlement of the Sino-Japanese dispute based upon the protection of the legitimate interests and rights of China and Japan and upon the provisions of the Covenant, the Kellogg Pact, and the Nine Power Treaty.

On November 21, 1932, the League Council commenced its consideration of the Lytton Report. The Japanese Government refused to accept the report as a basis for settlement and insisted upon the independence of the puppet state, a condition which China continued to regard as wholly unacceptable. On February 17, 1933, the Assembly finally adopted a resolution recommending a settlement of the Sino-Japanese conflict along the lines suggested by the Lytton Commission. The vote was 42 to 1, with the sole

---

1Japan Times Supplement, June 30, 1933.
2Ibid.
3Baron Tanaka is said to have declared in 1927: "In a certain sense Manchuria and Mongolia are key positions by holding which we can seize the wealth of the whole of China. After this we shall subjugate India, the South Seas, Asia Minor and Central Asia, and finally Europe." See Tanaka Memorandum.
negative vote of the Japanese delegation. In this manner, the whole world condemned Japanese aggression and upheld Chinese sovereignty over Manchuria.

Acting independently, the United States, through Secretary of State Stimson, proclaimed the doctrine of non-recognition in identic notes to China and Japan on January 7, 1932. According to the doctrine, the American Government will not admit the legality of any situation de facto or any treaty or agreement which may impair the treaty rights of the United States or its citizens in China, including those which relate to the sovereignty, the independence, or the territorial and administrative integrity of the Republic of China, or to the international policy relative to China, commonly known as the Open Door policy; and does not intend to recognize any situation, treaty, or agreement which may be brought about by means contrary to the covenants and obligations of the Pact of Paris (the Kellogg Pact). On March 11, 1932, the League Assembly accepted this doctrine of non-recognition in a resolution, which reads:

The Assembly . . . declares that it is incumbent upon the members of the League of Nations not to recognize any situation, treaty, or agreement which may be brought about by means contrary to the Covenant of the League of Nations or to the Pact of Paris.

As a result of world public opinion, the puppet state of Manchuria has become an illegal political entity because it was brought into being by Japan in contradiction with existing international covenants and obligations. Unscrupulous in its quest for power, Japan was willing to defy the public opinion of the world and to reject all forces of reason and all conceptions of justice; and went on consolidating its position in Manchuria, thereby creating a serious irredentist problem in the Far East.

Not content with the seizure of Manchuria, Japan began in 1933 to invade North China and Inner Mongolia. While professing to be interested in Chinese national unity and order, Japan has consistently followed the policy of "divide and rule." In order to insure its hegemony in the Far East, Japan has considered it imperative to establish a North China state and an Inner Mongolian state, both of which would be under its protection and domination. If Manchuria was the first objective of the Japanese military scheme, North China and Inner Mongolia constitute the second and third aspects of the empire-building.

Under the pretext of having to defend the puppet state of Manchuria against threats of invasion, Japan demanded that two demilitarized zones be
created, roughly, one between Manchuria and North China and the other between Manchuria and Inner Mongolia. The first zone was specified in the Tanku Truce signed on May 31, 1933; and the second zone was defined in the alleged Chin-Doihara Agreement supposedly reached in June, 1935.¹ In either zone, police were to maintain peace and order, and no army was allowed to be stationed. Furthermore, Japan demanded that all troops which were deemed "unfriendly" to Japan should be withdrawn from Hopei Province altogether, and that all political organizations which were "inimical" to Sino-Japanese relations should be dissolved and all officials who were not "cooperative" with Japan should be dismissed.²

Now that the puppet state of Manchuria was well protected against any danger of invasion by the creation of two demilitarized zones, one would expect Japan to cease its military activity in North China and Inner Mongolia. But the Japanese ambition was hardly satisfied. As indicated above, Japan aims at the establishment of a North China state and an Inner Mongolian state, independent of the Chinese Central Government but under the protection and control of the Empire. Soon after the puppet state of Manchuria was set up, Japan began to promote the so-called autonomous movements in North China and Inner Mongolia. The slogans used by Japan were: "North China for Northern Chinese" and "Inner Mongolia for Inner Mongolians." These autonomous movements, it is to be emphasized, were not spontaneous and voluntary movements on the part of the Chinese people, but were inspired and financed by the Japanese in the name of the Chinese.

In the case of North China, Japan failed to induce the governors of the five northern provinces to join the autonomous movement. There was, however, one great opportunity open for the Japanese. In the demilitarized zone in East Hopei, where Chinese troops were not stationed, the Japanese found an ideal place for the so-called autonomous movement. In November 1935, Japan caused Yin Ju-ken, the administrative commissioner of the demilitarized zone, to declare the establishment of the Autonomous Government of East Hopei.³ It was here that Japan encouraged and protected the smuggling of Japanese goods into China, causing a great loss to Chinese national revenue and a disruption of the Chinese customs administration.⁴

¹The text of the Tanku Truce may be found in the Chinese Yearbook, 1936-1937, p. 431, but the text of the Chin-Doihara Agreement remains unknown to the public.
²For a discussion on the alleged Ho-Umetsu Agreement, see Shuhsi Hsu, The North China Problem (Shanghai, 1937), pp. 16-26.
In the case of Inner Mongolia, Japan also failed to obtain its objective, the establishment of an Inner Mongolian state. Most of the Mongolian leaders and princes refused to cooperate with the Japanese. There was a Prince Teh, who engaged in political flirtation with the Japanese. Under the inspiration of Japanese advisers, Prince Teh organized the Military Government of Mongolia in May, 1936, at Chapssu, an important station on the Kalgan-Urga post road in North Charhar. Though professing to be loyal to the Chinese National Government, Prince Teh, assisted by the Japanese, invaded Suiyuan Province. He was repulsed by the loyal troops of Suiyuan.

We have seen, from the brief review above, that in 1931 Japan seized the northeastern provinces of China and in the following year established the puppet state of Manchuria; that by 1935 Japan had succeeded in creating two demilitarized zones between Manchuria and North China and between Manchuria and Inner Mongolia; and that by 1936 Japan had caused the establishments of the Autonomous Government of East Hopei and the Military Government of Mongolia. The Japanese lust for power, however, was by no means satisfied, short of complete separation of the five northern provinces and all of Inner Mongolia from the Chinese National Government. The year 1937 has witnessed more intensified activity of the Japanese in attempting to divide China into separate states, each under the supervision and domination of the Japanese Empire. The present crisis in the Far East is but a continuation and extension of the Sino-Japanese conflict that has been going on in the last six years.

While engaged in seizing one province after another from China and in interfering with internal affairs of the Chinese Government, Japan has repeatedly declared to the world that it entertains no territorial ambitions and encourages no separatist movement. Japan has time and again announced that it "respects the sovereignty, the independence, and the territorial and administrative integrity of China," as stipulated in the Nine Power Treaty, of which Japan is a signatory. Japan has frequently declared that it is vitally interested in the preservation of the unity of China and the maintenance of peace and order in the Far East. Japan has often expressed the desire for sincere cooperation and for friendly relations with China. When one compares what Japan has told the world and what it has done to China, one finds a serious discrepancy between them. Seldom in history does one find a more complete paralysis of reason and a more cynical distortion of fact!

In carrying out its imperial scheme in China, Japan has made it clear to the world that it permits no interference from other leading nations of the
world and is the sole power responsible for the maintenance of peace and order in the Far East. On April 17, 1934, Japan, through its Foreign Office, declared:

"...It goes without saying that Japan at all times is endeavoring to maintain and enhance its friendly relations with foreign nations, but at the same time this country considers it only natural that, to keep peace and order in East Asia, it must act single-handed and upon its own responsibility. In order to be able to fulfill this obligation, Japan must expect its neighbor countries to share the responsibility of maintaining peace in East Asia, but Japan does not consider any other country except China to be in a position to share the responsibility with Japan."

To the declaration, China immediately raised its objection. On the 19th of April, China declared:

"...China is always of the opinion that international peace can be maintained only by the collective efforts of all members of the family of nations. Especially is it necessary for nations to cultivate a genuine spirit of mutual understanding and remove the fundamental causes of friction in order to establish durable peace among them. No state has the right to claim the exclusive responsibility for maintaining international peace in any designated part of the world."

It is clear from these two declarations that China stands for international cooperation in the maintenance of world peace and order while Japan claims an exclusive right and privilege to maintain peace and order in the Far East in accordance with its own imperialistic designs.

The reaction of London and Washington to the Japanese "hands off China" declaration may be noted here. The British Government declared that, "since it was the aim of British policy to avoid dangers to the peace and integrity of China, the British Government could not admit the right of Japan to decide whether any particular action ... promoted such danger. ... The British Government was resolved to assist to the utmost extent and in a spirit of international cooperation in China's progress towards peace and prosperity and towards harmony and goodwill in the Far East." The American Government, through Secretary of State Hull, declared:

"...In the opinion of the American people and the American Government, no nation can, without the assent of other nations concerned, rightfully endeavor to make conclusive its will in situa-

---

1For the full text, see the Japan Advertiser, April 18, 1934.
2For the full text, see the North China Daily News, April 20, 1934.
3See the Reuter report from London, in the Peiping Chronicle, April 28, 1934.
4See the United Press report from Washington, in the Peiping Chronicle, May 2, 1934.
tions in which are involved the rights, obligations, and legitimate interests of other sovereign states. The American Government has dedicated the United States to the policy of a good neighbor and to the practical application of the policy, and will continue on its part, and in association with other governments, to devote its best efforts to that policy.

These two statements indicate very clearly that the Japanese declaration of April 17, 1934, is not in harmony with the spirit of international cooperation and collaboration in the maintenance of world order. The Japanese declaration is calculated to threaten China in its effort to secure international cooperation and is an attempt to impose a Pax Nipponica upon China.

A year after the “hands off China” declaration, Foreign Minister Hirota of Japan formulated the famous “three principles” with regard to China. There are different texts of the “three principles.” The following is as exact a statement as can be found:

1. China shall abandon the policy of “pitting one nation against another,” and shall not again utilize the influence of Europe and America to embarrass Japan.

2. The relations of China, Japan, and the puppet state of Manchuria shall be satisfactorily maintained. In order to attain this object, China shall recognize the puppet state. Pending this step China shall respect the latter’s de facto existence by preventing hostilities from breaking out, and by maintaining close economic relations between the said entity and the North China provinces.

3. China and Japan shall agree upon an effective method to check communism, especially along the northern border of China.

Summed up, the three Hirota principles meant practically this: that China shall recognize the fait accompli in the puppet state of Manchuria, forsake the world, and make common cause with Japan against Soviet Russia. Needless to say, this was more than any sovereign state could accept. China rejected these principles which Japan had proposed. Instead, China insisted upon the following principles: (a) equality and mutual respect for each other’s independence; and (b) real friendship and return to normalcy in conducting the relations of the two countries. In the words of Chiang Kai-shek, China would seek “harmonious international relations, provided there is no violation of our sovereignty, and economic cooperation based upon the principle of equality and reciprocity.” China has refused to recognize the puppet state of Manchuria.

---

1 See Shuhsi Hsu, The North China Problem, p. 82.

[9]
churia, has continued to collaborate with Western nations in the development of its industry, commerce, finance and education, and has insisted that the communist movement is an internal political problem and is to be solved by China itself.

The foregoing account of Japanese military and diplomatic activity demonstrates beyond the shadow of any doubt that the Island Empire aims at dividing and ruling China, at setting up a North China state and an Inner Mongolia state in addition to the puppet state of Manchuria, at dictating a *Pax Nipponica* upon China, at coercing China to forsake the Western nations and to ally with Japan against Russia. Unless China capitulated to the Japanese terms, it is clear that the Island Empire would not cease its policy of aggression.

II. A New Chinese Nation in the Making

While Japan is pursuing the policy of "divide and rule," the Chinese nation is being united and strengthened. The more the Japanese Empire attempts to partition China, the more the Chinese nation wills to integrate and consolidate itself. The more the Japanese Empire moves to subjugate China, the more the Chinese nation struggles for independence and freedom. On the one hand, the expansion of the Japanese Empire threatens the existence of the Chinese nation. On the other, the unification of the Chinese nation frustrates the ambition of the Japanese Empire. The continual operation of such antithetical forces tends to increase the strain or heighten the tension between the two powers, leading almost inevitably to an armed conflict, which is destined to bring catastrophic consequences to the Japanese Empire and the Chinese nation alike.

Throughout the centuries, China has been a centralized state in normal periods of its history, although owing to the vastness of its territory and the immensity of its population China has had to deconcentrate its administrative and bureaucratic functions and activities.\(^1\) As late as the first decade of the present century, the Imperial House could freely transfer provincial governors from one corner of the land to another. After the Revolution of 1911, central authority began to disintegrate and provincial governments came to assume a semi-independent status. This situation developed to its height in 1922, when China was not only torn by civil wars but also threatened by dangers from

---

\(^1\)Hsu, *op. cit.*, pp. 27-28.
without. It was then that the Washington Conference was called, in which the Nine Power Treaty was concluded. The object of the treaty was to safeguard the territorial and administrative integrity of China.

With the establishment of the National Government in 1927 at Nanking, China began to re-integrate itself. Since the Japanese occupation of Manchuria in 1931, the process of national unification and consolidation has greatly increased in speed and intensity. By 1937 China has become stronger and more united than it ever has been in its long history. Practically all the left and right factions or parties of the country are now combined in a common struggle for national existence. All provincial and sectional sentiments are dissolved in the newly awakened national consciousness. All the various classes and ranks of the people are united in a concerted and coordinated effort to save the nation from destruction and dismemberment. Thus, after a quarter of a century of internal and external storm and stress, China has at last emerged a new nation, a new nation determined to fight for its own existence and dedicated to the cause of world peace and order.

If the old China was "autocratic in form but democratic in operation," as H. A. Giles put it, there is every evidence that the new China will be democratic both in letter and in spirit. The future of Chinese democracy is one of the hopeful aspects of contemporary world politics torn between the dictatorships of the extreme left and extreme right. During the past decade, the Chinese Government has been under the political tutelage of the Kuomintang which was founded by Sun Yat-sen, father of the Republic of China. In accordance with the program of the Kuomintang, the period of political tutelage is to be followed by the constitutional period, when all political parties will cooperate in directing and administering national affairs. In May 1936, the National Government promulgated a new Draft Constitution. A People's Conference was to be held this year when the constitution would be formally ratified and a new government elected. The constitution provides for five independent power, the executive, the legislative, the judicial, the control and the examination; it regulates the relations between the central and the local authorities, guarantees democratic rights and defines the duties or obligations of the people; and states the general economic and educational policies of the Nation. When the constitution is put in practice, the foundations of the Chinese democracy will be firmly established.¹

In recent years, the social policy of China has been embodied in two complementary movements, the New Life Movement and the National Eco-

nomic Reconstruction Movement, the first aiming at an elevation of the spiritual and moral standard of the people, and the second aiming to provide a sound material basis for national recovery.

The New Life Movement is a response to the spiritual need of present-day China, when old values are being disregarded and no new moral standard has as yet prevailed. It is an attempt at the spiritual regeneration of national life and the rationalization of social customs and individual habits. The movement was started in the spring of 1934 in Nanchang, from where it has spread to other parts of the country. On February 19, 1936, the second anniversary of the movement, a new program for moral discipline and rational regulation of the national life was adopted. The goals of the movement are "(1) to awaken the people to live again after the 'death' of yesterday; (2) to inspire the spirit of search for reality and truth; (3) to teach the people to be exemplary in conduct; and (4) to encourage sincerity and mutual cooperation." Four ancient symbols are used, li, i, lien, and chib, which mean approximately propriety, justice, integrity, and conscientiousness. These virtues are taught in an effort to revitalize the daily life of the nation and to lay the moral foundation of the Republic.

National economic reconstruction may be divided into three parts: financial, industrial, and rural. Owing to the outflow of silver, occasioned by its rise in price in the world market, China abandoned the silver standard and nationalized its silver resources in November 1935. Since then China has maintained an independent currency, not linked to any foreign unit, and has stabilized its foreign exchange. In addition to this, China has unified the note issuance and the coinage system, which hitherto had not been subject to governmental regulation and control. At the present time, the Chinese financial structure is more stable than ever before.¹

With a sound currency as its basis, the country has embarked upon a program of industrial construction and rural rehabilitation. The most notable achievements of recent years are the completion of the Hangchow-Nanchang railroad and the Canton-Hankow railroad,² the construction of thirty-two national highways and routes connecting all the provinces,³ and the establishment of a network of air lines. Besides communications, China is working out extensive plans for the exploitation of natural resources, such as coal, iron,

and tin, and for the development of cotton, silk, and wool industries. These materials, which Japan has coveted, are vital not only to the development but also to the very existence of China. With regard to agrarian problems, the Government has initiated a program of extensive rehabilitation through the co-operative movement and through agricultural improvement. Ways and means to prevent famines and floods are being studied and applied; conservation measures, forestation projects, and new methods in agriculture are widely promoted.\(^1\) The cooperative movement is being encouraged and has spread throughout the whole country.\(^2\)

The economic program is gradually pulling China out of depression and bringing recovery to the nation.\(^3\) The financial structure of the whole country has become stable; industry is being developed at rapid speed; and agriculture is made more productive as well as more remunerative. The Government aims at obtaining an equilibrium between industry and agriculture; and attempts to own and operate public utilities and heavy industries as well as to encourage private enterprises and investments. The economic program as a whole has resulted in the expansion of foreign trade and in the elevation of the domestic price level and the living standard.

Thus, in the last few years, China has seen a growth in national unification and a heightening of national consciousness, a democratization of political machinery, an elevation of the moral and spiritual standard of the people, and an improvement in the economic life of the nation. China has achieved all these, neither through the fascistic method of violence and repression, nor through the communistic method of radical reorganization, but through a gradual and evolutionary method of positive construction.

This brings us to the consideration of Chinese foreign policy. In the last few years, Japan has attempted to coerce China into joining the international fascist bloc. The National Government has, however, refused to enter the fascist alliance. China believes firmly that fascism leads to international war. On the other hand, there have been not a few advocates of the Third International. The National Government has consistently stayed out of any international communist association. In other words, China has joined neither the international fascist partnership nor the international com-

---


munist federation. More specifically, China has neither allied with Japan against Soviet Russia, nor united with Soviet Russia against Japan. China has maintained cordial relations with Russia, as with other Western powers, and has desired to enter into genuine cooperation with Japan.

Between the fascist bloc of the right and the communist league of the left, China has steered the ship of the state through a middle way, a way which is democratic in essence. Even though it has suffered not a little from the weakness of the League of Nations, China still believes in the essential soundness of the democratic method of international conciliation and cooperation. Even though it has seen the violation of its territorial and administrative integrity, China still has faith in the sanctity of treaty rights and obligations. Even though it has witnessed the forcible occupation of its land and property, China still abides by the treaty that renounces war as a national policy. China is at any time ready to settle all disputes and differences with Japan on the basis of the Washington Conference Treaties and the Kellogg-Briand Pact of Paris, to which both nations are signatories. China is at any time willing to accept any international arbitration or adjudication that is consistent with the rights and obligations to which it has previously acceded. In fact, China believes firmly that world order can be maintained only by democratic and peaceful methods, which are embodied in international laws and treaties generally recognized by the civilized world.¹

Ever since the Manchurian question arose, China has repeatedly resorted to peaceful means for settling its differences and disputes with Japan, but the latter has consistently used forced to coerce the former into acquiescence or submission. At last, China’s patience has been exhausted; its tolerance is at an end; its last hope for peace has almost completely disappeared. China is compelled to resort to armed resistance as the final means for preserving its national identity and existence. This position was most clearly and forcefully expressed by General Chiang Kai-shek, on November 19, 1935.²

If international developments do not menace our national existence or block the way of our national regeneration, we should, in view of the interests of the whole nation, practice forbearance in facing issues not of a fundamental nature. At the same time, we

¹In answer to Secretary of State Hull’s statement urging upon both the Chinese and the Japanese Governments “the importance of refraining from hostilities and of maintaining peace,” Dr. C. T. Wang, Chinese Ambassador to Washington, declared officially that “China is ready as ever to settle whatever differences she may have with Japan in accordance with the principles of international law and practice.” On the other hand, Premier Konoye of Japan, in apparent answer to the statement of Hull, said: “Japan entertains no intention of resorting to diplomatic means of settlement. We favor a comprehensive punitive campaign against China.” See The New York Times, August 29, 1937.

²The China Year Book, 1936, p. 169.
should seek harmonious international relations provided there is no violation of our sovereignty. We should abide by the decision of the Party and the nation to reach a resolute determination.

As far as I am concerned, I will not evade my responsibility. We shall not forsake peace until there is no hope for peace. We shall not talk lightly of sacrifice until we are driven to the last extremity, which makes sacrifice inevitable. The sacrifice of an individual is insignificant, but the sacrifice of a nation is a mighty thing. For the life of an individual is finite, while the life of a nation is eternal. Granted a limit to conditions for peace and a determination to make the supreme sacrifice, we should exert our best efforts to preserve peace with the determination to make the final sacrifice in order to consolidate and regenerate our nation. I believe this is the basic policy of our Party for the salvation and upholding of our nation.

III. China and Japan at the Outbreak of War

As the Sino-Japanese conflict begins, there are certain political, economic and psychological contrasts or contradictions between the two powers to consider.

From the political point of view, the conflict between Japan and China is essentially a conflict between militarism and fascism on the one hand and democracy on the other. Japan is a militarist-fascist state, while China is endeavoring to establish a new democratic state. In Japan the army and navy dominate over the cabinet, the parliamentary parties, and ultimately the masses. In China the general will of the people is gradually expressing itself in national and international affairs. The undeclared war that is raging in the Far East is started by the Japanese generals and admirals and is reluctantly and coolly accepted by the people. The armed resistance that China is offering to Japan is the result of the outcry of the teeming millions of the Chinese people. The Japanese army and navy fight for territorial aggrandizement and political domination, while the Chinese people struggle for self-determination and self-government, for liberty and equality, for a fair chance to exist and live. Militarism and fascism lead to war, while democracy tends to promote international brotherhood.

In the second place, the Sino-Japanese conflict may be seen as a struggle between an ascending national economy and a declining imperialistic economy.

---

1See K. W. Colegrove, Militarism in Japan (Boston, 1936).
2See Sun Yat-sen, San-Min Chu-i (Three Principles of the People), tr. by Frank Price (Shanghai, 1927).
The national economy of China is primarily concerned with the development of its own human and natural resources, while the imperialistic economy of Japan is interested in the main in exploiting the labor and land of other countries. In 1937, Chinese economic recovery has been at its peak. In a recent cabled report to the Department of Commerce, the American Commercial Attaché at Shanghai, Julean Arnold, said that China's "internal financial stability was maintained, unification of the currency system advanced; China's credit strengthened by the augmentation of gold reserves abroad; and until the commencement of hostilities with Japan in July prospects for balancing next year's fiscal budget were promising." The report went on to say that the rice crop products, cotton, and tung oil were excellent; that up to the middle of July the general outlook for trade throughout the country was more encouraging than at any time for some years past; that the first half of this year was marked by the greatest expansion of industrial activity throughout China since the beginning of the depression; and that the total imports over the first six months increased by thirty per cent and exports by forty-five per cent, compared with the same period of the last year.1

On the other hand, the financial and economic structure of Japan, which has been on a semi-wartime footing since 1931-32, is in a critically dangerous situation at the outbreak of the present hostilities. International accounts are 770,000,000 yen in the red on the first seven months' trading this year,—a fact which threatens soon to eat up the country's gold reserve and force the collapse of the yen. The Manchuria adventure, during six and a half years ending March, 1938, will have cost Japan 1,400,000,000 yen, any material returns from which remain a remote possibility. The current fiscal budget represents an increase of thirty-two per cent over that of the previous year, which in turn represented an unprecedented peace-time expenditure. This state of things has resulted in a recurring annual deficit of around a billion yen, in spite of heavy increase in taxation. The borrowing capacity of the Government by ordinary methods of financing has reached its limit. Furthermore, labor is asking for higher wages and the peasants are needing immediate relief, but the Government, determined to increase military expenditures for imperialistic purposes, does not heed the demands of the populace.2

From the psychological point of view, the Sino-Japanese conflict reflects a fundamental contrast between self-confidence and self-assurance on the one

---


hand and the feeling of national insecurity on the other. In the background of the Chinese mind, there is a profound sense of historic certainty, whether warranted or not, an awareness of the temporal eternity and spatial immensity of the nation. To be sure, this faith has been more than once shaken, but it has never taken long for the Chinese mind to recover confidence in the nation. Even in times of national crisis, there is generally a stoic composure that characterizes the Chinese style of life. Recently, owing to political unification and economic reconstruction, the Chinese as a nation has in fact become sure of the eventual restoration of the lost provinces in the northeast, of the advent of the day when it will command genuine respect for its territorial and administrative integrity and when it will play an important role, appropriate to its dignity and culture, in international politics.

On the other hand, the psychological state of Japan seems to be characterized by a profound sense of insecurity. The foundation of the Empire in a sense is built upon fear and suspicion. The Japanese mind trusts no one, for it trusts not itself. It is forever afraid that the Chinese nation may one day be consolidated. The Lytton Report keenly observes that "it is impossible not to realize that, at the heart of the problem for Japan, lies her anxiety concerning the political development of modern China, and the future to which it is tending." It is this anxiety that has led Japan to adopt an aggressive policy toward China, a policy which would prevent the unification and modernization of China. Not only is the Japanese Empire afraid of Chinese unity, it is also fearful of the Russian air fleet, suspicious of the American navy, and mistrustful of British diplomacy. It feels isolated, it feels persecuted by a world that understands it not. To alleviate the feeling of national insecurity Japan has resorted to the display of physical force and strength; and to guarantee the security of the empire, it has decided to acquire more land and greater wealth. Chinese self-confidence produces defiance; Japanese fear generates aggression—such seems to be the psychological antagonism between the two peoples.

In view of the fundamental differences in political, economic and psychological trends at the present moment between the Japanese Empire and the Chinese nation, it is easy to understand that the Sino-Japanese undeclared war is not caused simply by some local disputes. The Lukuochiao incident of July 7th and the Hungjiao incident of August 9th, just as the South Manchurian railway incident of September 18th, 1931, are but pretexts with which Japan

could conveniently start its war of conquest. Using as an excuse the Lukuo-
chiao incident—a skirmish at night between two small bodies of Japanese and
Chinese troops—Japan attempted to force the Chinese Government to re-
nounce central authority over the provinces of Hopei and Charhar and to invite
Japanese troops to cooperate in the suppression of communism in North China,
and, failing to obtain an affirmative reply, seized the cities of Tientsin and
Peiping. Using again as an excuse the Hungjiao incident—in which two
Japanese marines and a Chinese airfield guard were killed—Japan did nothing
less than start a systematical destruction of the city of Shanghai. Whether
these incidents are accidental, it is obvious that Japan has long planned, and is
trying to carry out, a gigantic scheme of war and conquest.

Regarding the Lukuo-chiao incident, the Chinese Government announced
on July 19th through Chiang Kai-shek four minimum conditions for the
settlement. These are:¹

First, any kind of settlement must not infringe upon the terri-
torial integrity or sovereign right of China.
Second, the status of the Hopei-Charhar Council was fixed by
the Central Government and we will not allow any illegal alteration.
Third, we will not agree to the removal by outside pressure of
those local officials appointed by the Central Government, such as
the Chairman of the Hopei-Charhar Council.
Fourth, we will not allow any restriction to be placed on the
positions of the Twenty-ninth Army.

These four points constitute a reasonable basis for the settlement of the
Lukuo-chiao incident. But the Japanese authorities did not consider the terms
satisfactory and insisted upon the acceptance of the following demands: (1)
assumption by China of responsibility for the Lukuo-chiao incident and punish-
ment of the guilty; (2) withdrawal of troops from the Peiping-Tientsin area;
(3) eradication of all acts of “anti-Japanism”; and (4) enforcement, in
cooperation with Japan, of measures against “communism.” It is obvious that
as long as Japan occupies Chinese territory no government of China could put
an end to popular feelings of resentment and hostility, and that inviting
Japanese troops to suppress radicalism, which is a domestic issue, would be
tantamount to surrendering national sovereignty. As an independent state,
China could not accept the Japanese demands.

While the military high command of Japan was engaged in violating
Chinese territorial and administrative integrity, the Foreign Office at Tokyo did
not hesitate to condemn the “insincere” and “recalcitrant” attitude of the

Chinese Government and to deplore the fact that China did not appreciate the Japanese policy of "non-menace" and "non-aggression." Foreign Minister Hirota declared in the Imperial Diet that the Japanese policy "is directed solely toward the realization of stability in Eastern Asia through conciliation and cooperation between Japan, Manchukuo and China, and by stopping the communist invasion of the Orient."¹ When one reads the speech of Hirota, one cannot help wondering if the Foreign Minister believes what he says. We may quote an excellent editorial of *The New York Times* to show the unreasonable-ness and injustice of the speech.²

Professing a mission to secure its "position as a stabilizing force in East Asia," Japan is the only country which today menaces the stability and threatens the peace of that area. . . . Professing the desire to achieve Eastern Asiatic continental stability through conciliation and cooperation between Japan, Manchukuo and China, the Japanese Government now pursues a course which makes such collaboration impossible. . . .

As the diplomats of the two countries were groping for a peaceful solution of the Lukuochiao incident, the Japanese army started a methodical devastation of the city of Tientsin, burning Nankai University, one of the foremost educational establishments in China, and destroying thousands of civilian lives and homes; and forcibly seized Peiping, threatening to demolish all the cultural institutions there and to arrest many professors, writers, and social leaders.

While the Japanese army was displaying its collective sadism in North China, the Japanese navy began to rain death and inflict ruin upon the city of Shanghai. Following the Hungjiao incident, Japan demanded the withdrawal of the Peace Preservation Corps and the removal of Chinese defenses in the environs of Shanghai. "Even before the reply was delivered, thirty Japanese men-of-war, cleared for action, were taking positions in the Whangpoo River and unloading their contingents of marines, who, with large quantities of munitions, were being hurried off to strategic points in the city." The tragedy of 1932 was repeated, but on a greater scale. The city of Shanghai became at once a city of terror.

The occupation of Peiping and the invasion of Shanghai mark the actual commencement of the undeclared war. The loss of Peiping, the cultural capital of the ancient China, and the attack upon Shanghai, the commercial nerve-center of the modern China, have infuriated the soul of the Chinese nation, normally serene and peaceful, to a high pitch hitherto unknown in

history. These two events constitute the breaking point in the chain of Sino-Japanese relations long characterized by severe strain and high tension. For a quarter of a century, the Chinese nation has been subject to a lengthy list of unreasonable demands and unscrupulous threats made by Japan and has consistently adopted peaceful and diplomatic means to deal with the eastern neighbor. The seizure of Peiping and the invasion of Shanghai have compelled China finally to resort to armed resistance as the only method for preserving national prestige and political entity.

The Far East stands today at the threshold of a great war, a war that would probably be more disastrous and calamitous than any other conflict that has been known in its history. Will the world be able to mobilize the forces of peace in an effort to forestall the spread and continuation of the present armed conflict? Or, will the world be willing to throw overboard all the democratic machinery of international conciliation and cooperation that has been painfully built up in the past two decades?

IV. What Will the Outcome Be?

It is hazardous to predict what the outcome of the Sino-Japanese conflict will be. No man can see with precision the future course of history. This section aims to examine some of the views that have been current since the outbreak of the present conflict.

There are two diametrically opposite views of the situations. Certain alarmists and pessimists hold that the Sino-Japanese conflict will bring an end to the national existence of China. China today is facing a national crisis which is no less serious than the invasion of the Mongols in the thirteenth century or the incursion of the Manchus in the seventeenth. The outcome of the present conflict will be the dissolution of the Chinese state or the destruction of the Chinese nation. China cannot survive, the alarmists and pessimists warn.

On the other hand, there are some prophets who declare that the Sino-Japanese conflict will spell the doom of the Japanese Empire. A war with China, they say, will exhaust the human and natural resources of the Island Empire, and will bring about social unrest and revolution that will overthrow the imperial regime. There will be no decisive victories in the battlefield and no social security and stability in the homeland. The present conflict will precipitate the decline and fall of the Japanese Empire.

There is another pair of polar views. The world as it stands today is
divided into two antagonistic camps. On the one hand, there are fascistic-militaristic countries, which are dominated by the lust for power and the will to conquer. On the other hand, there are democratic-socialistic states, which are interested in promoting the fraternity of all nations. These two camps are bound to come to an armed conflict. The Spanish civil war is but a miniature European war, and the Sino-Japanese conflict is the fore-runner of a universal conflagration. Before long, all the nations on earth will enter upon a desperate struggle. One view maintains that the final result of such a war would be the establishment of a world-wide democracy, in which all peoples would be organized on the basis of equality and mutuality. Another view holds that such an international conflict would bring about a situation in which the fascistic-militaristic nations would be the dictators of the world.

All these four views are, according to the opinion of the present writer, rather grandiose conceptions, partially substantiated by social and economic data and to some extent projected by wishful fantasies. The writer is concerned less with the "ultimate" outcome or "final" consequence of the Sino-Japanese conflict than with its probable effect upon the "immediate" future of the two nations.

It is now generally conceded that the Sino-Japanese conflict will be an extensive and protracted struggle. A Chinese spokesman said: "We plan a long campaign of stiff resistance, retiring inland if necessary, and letting the enemy extend his own lines at his cost. . . . Our present aim is not to obtain military victories, but to preserve the unity and fortitude of our armies. Our people refuse to make peace on any terms, but will continue fighting, until the enemy is compelled to realize the futility of attempting such a colossal task as the conquest of China and the subjugation of the Chinese people." 1 This seems a frank and concise statement of the Chinese strategy in the present conflict.

Concerning the position of China, the views of a German military strategist and an Italian economist may be quoted here. General Fritz Neiholdt, German military adviser to China, says in New York that China is at present entirely united and is able to fight Japan "to the last ditch." He further says that Chiang Kai-shek is a brilliant military strategist and is capable of organizing and waging a war against Japan. Alberto de Stefani, the distinguished Italian economist and former Minister of Finance, who has been adviser to China, "predicting that the war will assume large proportions, testifies that the Chinese have greatly increased their offensive and counter-offensive

strength, have superior resources in food and man power and considerable deposits abroad." 1 According to him, China will have no difficulty in financing the war with Japan and the National Government, under stress of war, will be able to triple its normal budget receipts. He goes on to say: "From my observation, China is developing rapidly both financially and politically toward real national unity and strength, while economic development is constantly accelerating." 2 The opinions of the military and the financial experts confirm the advisability and certainty of China's carrying on a long drawn-out conflict with Japan.

From the Japanese point of view, a prolonged and extended warfare with China does not promise any triumphant peace. The Premier, Konoye, said to the Japanese press that the Government was preparing for a long war and for the financial sacrifices it would involve.3 Japan realizes at present that China cannot simply be threatened into submission and has determined to offer continual resistance which will cause severe strain to the already serious condition of Japanese finance. Japanese forces have already been divided between North and Central China. If they cannot deliver a knockout blow to China, as the month-old warfare has shown, "they will have no option but to continue pouring money and men into China until Japan is bled white and calls off the war." 4

Already within a month of the outbreak of hostilities, "prices on the Tokyo Stock Exchanges have fallen between 10 and 30 per cent. . . . Spinning companies with mills in China are hardest hit, but even heavy industries and metals that will profit by the demand for munitions are down 10 to 15 per cent and the volume of transactions, compared with last year, is down by half." 5 The Japanese cabinet has already appropriated some 500,000,000 yen for the military adventure and the parliament has further approved some 2,000,000,000 yen to cover the war expenditures till March of the coming year. This will raise Japanese expenditures this year to 5,400,000,000 yen. In securing the necessary funds for the warfare, Japan will have to resort to extraordinary methods, such as compulsory purchase of governmental bonds by financial institutions and stringent control of the national economic life. Even then, owing to the limitations of its natural resources and raw materials and owing to the smallness of gold reserve and available capital, Japan will be unable to finance an uncertain and indecisive warfare and to stand a long man-and-money wasting campaign against China. This is the reason why military ex-

2See New York World-Telegram, August 26, 1937.
3See The New York Times, August 22, 1937
4See New York World-Telegram, August 26, 1937.
perts in Washington hold that, while China may not be able to lick Japan, Japan will lick itself in a protracted and large-scale warfare.¹

The prospects of the Sino-Japanese conflict are by no means bright either for the Chinese or for the Japanese. The writer does not hold the view that the Japanese Empire will collapse or fall, or that the Chinese nation will cease to exist on the face of the earth, as a result of the present conflict. He is convinced, however, that out of the war Japan will emerge a greatly shattered and disillusioned empire and China a vast devastated country. There will be no conquerors, nor conquered. There will be no glory, nor prosperity, for either of the conflicting parties.

The writer does not believe that the world will necessarily be divided into two warring camps if the Sino-Japanese conflict continues and that as a result of the universal war a world democracy or an international fascist super-state will come into being. He hopes, however, that all the peaceful nations of the world will cooperate in bringing moral and material pressure upon the aggressor nation, so that an imminent human catastrophe may be averted at the last minute. There is room for international cooperation without political alliances and entanglements. There is hope that peace may yet be organized and maintained effectively. At this writing, the United States has urged the conflicting parties to settle their differences in accordance with principles which govern in international relations and to refrain from hostilities and to maintain peace.² The British Government has delivered a sharp protest to Tokyo against Japanese "deliberate and direct attacks on non-combatants," which are both "illegal" and "inhuman," and which are against the law of nations as well as against the "conscience of mankind."³ Russia and China have announced the conclusion of a non-aggression pact, which re-affirms the principle of the Kellogg-Briand Pact, condemning recourse to war for the solution of international controversies and renouncing it as an instrument of national policy.⁴ The League of Nations has revived the Advisory Committee, which was set up in 1933 to deal with the Far Eastern dispute and of which the United States is a consultative member.⁵ Several occidental powers, including the United States, England, Germany, and Russia, have protested against Japanese indiscriminate bombardments of Nanking, Canton, Wuhan, and other cities. The world has realized that any threat of war is a matter of vital

²For the text of Hull's statement, see The New York Times, August 24, 1937.
³For the text of the British note, see The New York Times, August 30, 1937.
concern to all nations and that in the long run national interests as well as world order can best be maintained by international cooperation and collaboration. Let us look forward to the eventual settlement of the Sino-Japanese conflict on the basis of the principles which are generally recognized in international law and practice and which are deeply rooted in the conscience of mankind.

---

CHINESE CULTURAL SOCIETY

F. H. Liao, President

C. F. Yau, Vice President      Hollington K. Tong, Vice President
K. C. Yeung, Secretary        N. K. Tung, Treasurer
T. Y. Chen, Auditor           K. F. Pang, Social Relations

Chih Meng, Editor-in-Chief

Partial List of Publications


Some Questions Answered, by Sao-Ke Alfred Sze, Chinese Minister to the United States. 1933.

Reconstruction in China, by Sao-Ke Alfred Sze, Chinese Minister to the United States. 1934.
