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**WAR
IN THE
FAR EAST**

by

Henry Hall

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HENRY HALL is a journalist in close touch with current political developments in the Far East.

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WAR IN THE FAR EAST

THE THREAT TO THE SOVIET UNION IN MANCHURIA



The Soviet Challenge to Capitalism

MANCHURIA lies in the northeastern corner of China. Between it and the United States lies the vast Pacific. But dollars have annihilated distance and brought Manchuria into the life of the American worker. American capitalism in its rapid expansion abroad has come into conflict with rival capitalist powers, and Manchuria is one of the points where the conflict is sharpest. Not only is Manchuria the battleground of rival imperialist nations; it is also a strategic sector in the attack which the imperialist powers are directing against the Soviet Union.

Daily the campaign against the Soviet Union gathers momentum. Under the guise of safeguarding religious liberty, political democracy, the virtue of womanhood or the purity of the white race, the capitalist press of the world carries on a relentless propaganda campaign against the Soviet Union; mobilizes mass sentiment for a holy crusade.

The slogans change. Outworn myths no longer useful in whipping up anti-Soviet sentiment are discarded for new ones. Tales of atrocities against innocent priests are substituted for stories about the nationalization of women. There is a rapid turnover in the lies which serve as pretexts for the anti-Soviet campaign; but the reason for the campaign remains fundamentally the same. The Soviet Union is a workers' dictatorship engaged in building socialism. It is a challenge to the capitalist

world, to the bankers and factory owners and their press, priests and rabbis. Every day the friction between these two worlds sharpens. Every step in the socialist construction of the Soviet Union, every economic program realized, every factory constructed by Soviet workers is a challenge to the capitalist world.

Now the Soviet Union is engaged in the difficult task of collectivizing agriculture. For the tiny farms, owned by individual peasants, worked by primitive methods, it is substituting collective farms, owned by groups of peasants and operated scientifically. That means a huge stride forward in socialist construction. It means the death of the peasant proprietor and the birth of a new type of peasant, a socially conscious worker in a collective enterprise; it means shorter hours and higher standards of living for the peasant; it means the incorporation of the peasant into the socialist fabric of the Soviet Union; it means scientific farming, increased production and large wheat exports.

The revolution in Russian agriculture coupled with the amazingly rapid development of Soviet industry has alarmed world capitalism. Leslie Urquhart, well-known British capitalist, recently wrote:

We are all firmly imbued with the opinion that if the Soviet government succeeds with its five year program of rehabilitation of Russian industry, this will put into their hands financial resources that will destroy or at least do the greatest possible harm to our civilization.

Urquhart is right. The triumph of socialist construction in the Soviet Union is a blow to capitalism. The Soviet Union has its difficulties. Nevertheless, it strides ahead building its industry, collectivizing its farms, increasing production, raising standards of living. Unable to obtain credits abroad, it increases its exports and undersells its capitalist competitors in order to obtain funds to purchase the machinery which it needs. Soviet exports are still relatively small; but they be-

come increasingly significant in view of the capitalist struggle for world markets. European capitalists have for some time expressed alarm at the possibility of increased Soviet exports. Now even a large number of American business men are agitating against Soviet products. Pennsylvania mine owners are demanding the exclusion of Soviet coal, and northwestern lumber barons are trying to prevent the importation of Soviet lumber. The *Journal of Commerce* expresses alarm at the rapid growth of Soviet iron and steel production; the midwest *Economist* declares that the proposed increase in Russian wheat production menaces American agriculture. This agitation against Soviet exports is not yet very great; but it represents an important tendency. Capitalist organs like the *Business Week* point out that the development of Soviet trade "not only strengthens the Soviet régime, but lays the way open to destructive price competition."

Within the capitalist countries there is a steady intensification of the forces impelling the campaign against the Soviet Union. Economic crises, an inevitable feature of capitalist economy, decreased wages, the growth of unemployment and the consequent shrinkage of home markets all accelerate the drive for foreign markets and intensify the campaign against the Soviet Union which enters the export field as a young but formidable rival. At the same time the capitalists find an energetic anti-Soviet campaign necessary to stem the growing restlessness of workers in their countries. The Soviet Union, with its socialized planned economy, can increase wages, decrease hours, and reduce unemployment while increasing production. In the capitalist countries, increased production is achieved only by speeding up workers, lowering wages, increasing unemployment and lengthening hours. To keep the masses of workers from realizing these facts, to stem the growth of revolutionary sentiment, the propaganda agencies maintain their barrage against the Soviet Union.

The anti-Soviet campaign is waged along the diplomatic as well as the economic front. Press correspondents reported that

the "shadow of the Soviet Union" loomed large at the London naval conference. That is probably quite true. France and England have created elaborate political alliances aimed against the Soviet Union. The general staffs of the Baltic states, of France and Poland, of Germany and Britain are busy preparing plans for military movements against the Soviet Union. In the Far East, Japan, through her control of an elaborate network of railways in Korea and Manchuria, can strike at the Soviet Union.

Imperialist Rivalries

The joint campaign against the U.S.S.R. does not mean that the powers are united. The imperialist nations are sharply divided among themselves. Hoover and MacDonalld may issue unctuous statements that "war between the United States and Great Britain is unthinkable." But they know better. They build cruisers. The London Conference clearly revealed the intensification of the forces driving the United States and Great Britain to war. Their struggle for markets, colonies, raw materials, and military superiority is more intense than ever. The London Conference, far from reducing naval armaments, increased the fighting strength of the American, British and Japanese navies.

One of the richest prizes over which the imperialist powers are struggling is China. And in no part of China have international rivalries been sharper than in the Manchurian provinces. One bloody war has already been fought over Manchuria. Another one may be.

The Struggle for Manchuria

Manchuria consists of the three northeastern provinces of China—Fengtien, Kirin and Heilungkiang. It is for the most part a vast undulating plain, whose fertile soil is suitable for the cultivation of wheat, millet, maize, barley and legumes;

but more important economically are the mountains that flank Manchuria on the east and west. Rich in lumber and containing valuable deposits of iron and coal, these mountains, particularly the East Mountain Highlands, near the Manchurian border, have been coveted by foreign powers. Only at the south does Manchuria touch the sea. Here the Liaotung Peninsula juts far into the Gulf of Pechili, providing an outlet for Manchurian agricultural produce, iron, coal and lumber. Here are two excellent ports, Dairen and Port Arthur, both free from ice all the year round, and therefore of great strategic importance. To the east and south of Manchuria lies Korea, and east of Korea across the Japan Sea is Japan, the only industrialized nation in the Orient. To the north of Manchuria are the vast Siberian plains absorbed by the Russian Empire in its march towards the east.

The struggle for control of Manchuria began as early as 1895. Manchuria was the point where the Japanese Empire—attempting to extend its control on the Asiatic mainland—and the Russian Empire met and clashed. Japan, a highly industrialized nation, relatively overpopulated, poor in raw materials, looked eagerly towards the Asiatic mainland as a market for its manufactured goods and capital exports, as a source of raw materials and a convenient outlet for its surplus population. Japan needed iron and coal for its factories. These it possessed in insufficient quantities. Across the sea lay Manchuria, with coal resources equal to Japan's (about four billion tons) and iron resources ten times as large as Japan's. Nominally Manchuria was a part of the decadent Chinese empire; actually it was a rich prize to be seized by an enterprising imperialist power.

Japan first attempted to gain control of Korea directly across the sea. In the Sino-Japanese War (1894) that followed Japanese expansion in Korea, the Chinese were completely routed. By the treaty of Shimonoseki China was compelled to recognize the independence of Korea and to cede to Japan the

Liaotung Peninsula with its rich mines and strategic seaports. The treaty alarmed the Russian imperialists, who themselves wished to obtain the Liaotung Peninsula in their quest for a "warm water" outlet on the Asiatic continent, as an eventual substitute for Vladivostok, ice-bound more than half the year. At that time, too, the Russian government was planning to extend the great trans-Siberian railroad along the banks of the Amur River to Vladivostok. The construction of the railroad across Manchuria to Vladivostok would shorten the distance 560 miles, carry the railroad through a more productive country and extend Russian imperialist influence into Manchuria. These were the considerations that prompted Russia, later joined by France and Germany, to warn Japan that the cession of the Liaotung Peninsula was a menace to the peace of the Far East and therefore highly inadvisable. Japan knew how to take a hint and returned Liaotung, receiving instead a large indemnity.

Having forced her rival from Manchuria, Russia now proceeded to grab it herself. Russia's first step was to form the Russo-Chinese Bank in St. Petersburg. In addition to ordinary banking operations the bank was authorized to collect duties and coin money in China and to acquire railway and telegraph concessions. Russia utilized the bank to secure the valuable Chinese Eastern Railroad concession in 1896. According to the secret treaty with China which authorized the railroad, one of the purposes of the road was "to facilitate the access of Russian land troops to menaced points in case of war with Japan." As early as 1896, the Russian imperialists clearly realized that the struggle for Manchuria was certain to end in war.

The Chinese Eastern agreement was so broad that it gave Russian imperialism control over the whole of northern Manchuria. Ostensibly the railroad was a private enterprise. Actually it was controlled by the Czarist government. The statutes of the railroad conformed to Russian law. The rail-

road itself was administered by a Russian manager. Russian troops moved through the railroad zone without interference. Russian traders shipped goods to and from Manchuria without paying the full Chinese customs duties. Russian bureaucrats and generals dictated Manchurian life and politics. By subsequent agreements, Russia pushed her way farther south. In 1898 she acquired the right to extend the Chinese Eastern to the tip of the Liaotung Peninsula and secured a twenty-five-year lease over Port Arthur and Dairen. Thus Russia realized her ambition to extend her railway system from European Russia to ice-free ports on the Pacific.

During the construction of the Chinese Eastern, the railway zone was virtually reduced to the status of a Russian colony. Russians ruled the territory. Villages and towns were laid out and populated by Russian immigrants. But it is not enough to loot; one must safeguard one's spoils. In 1899 Russia reached an agreement with Britain. She promised not to seek railroad concessions in the Yangtse basin, in return for which Britain promised not to seek railway concessions in Manchuria. During the Boxer rebellion, a result of Chinese restlessness under foreign exploitation, Russian troops poured into Manchuria and slaughtered thousands of Chinese. Even after the imperialist powers had crushed the rebellion, Russia continued to maintain troops in Manchuria. Japan, which was apprehensively watching the Russian advance to the south and Russian attempts to gain a foothold in Korea, demanded the withdrawal of Russian troops, at the same time offering to recognize Russian "interests" in Manchuria if Russia would recognize Japanese "interests" in Korea. When Russia refused to make a definite reply, Japan, with the tacit support of her ally, England, declared war, won a decisive victory and wrested from Russia the Liaotung lease, Russian railway rights in South Manchuria, and valuable coal and iron mines. Thus South Manchuria became a Japanese "sphere of influence."

"Uncle Sam" in Manchuria

In this early struggle for the control of Manchuria, the United States took no active part. The United States at this time was interested in China chiefly as a market for exports rather than investment. She was not particularly concerned over the scramble for Manchurian railways; but she was worried about the special trade privileges and reduced tariff rates which other powers had wrested from China. In 1899, the American Secretary of State John Hay, as spokesman for American manufacturers interested in exports to China, addressed his "open door" notes to the principal imperialist powers, asking them to guarantee equal opportunities for trade in China and to permit the application of Chinese customs duties within their spheres of influences. These demands reflected the dominant interests of the United States in China, which at the time were manufacturing and commercial rather than financial. Hay was quite near-sighted. He ignored the battle for the control of Chinese railways and left to his successors the job of securing for American bankers as well as industrialists "equal rights" to exploit China. For the next two decades, the State Department fought furious diplomatic battles to secure the privilege of participating in the scramble for Chinese loans and railways.

One American authority, C. Walter Young, expressing the views of the State Department, writes:

The period from 1905 to 1915 exhibited in Manchuria the inevitable conflict between the policy of the "open door" and the assertion of treaty rights which, while legally valid and enforceable in themselves, constituted in fact limitations on the general assertion of policy characterized as the "open door."

Translate these legalistic terms into concrete political terms and one gets an accurate picture of the period—*i.e.*, a long drawn out struggle between the European powers, which had an early start in China, and the United States, a late con-

tender in the imperialist struggle. The United States enunciated the noble doctrine of the "open door" as a means of edging its way into the battle for Chinese concessions.

In 1905 E. H. Harriman, American railroad magnate who with his bankers, Kuhn, Loeb & Co., had helped finance Japan in its war with Russia, attempted to gain control of the South Manchurian railroad as part of an ambitious scheme for establishing a round-the-world transportation system. Harriman dreamed of eventually reaching an agreement with the trans-Siberian railroad and linking it by means of the South Manchurian with his transcontinental system by means of a fleet of steamers on the Pacific and from the Baltic across the Atlantic. In 1905 he succeeded in reaching a tentative agreement with Japanese representatives for joint American-Japanese control of the South Manchurian; but the Japanese government, afraid to permit the United States a foothold in Manchuria, dropped the plan. Harriman then unsuccessfully tried to buy the Chinese Eastern from the Czarist government.

Not at all discouraged by these failures, the Harriman interests decided to build a railroad of their own. In October, 1909, they received permission from the Chinese government to build a railroad from Chinchow, on the coast of South Manchuria, up to Aigun on the Russian border. American bankers, headed by J. P. Morgan & Co. and Kuhn, Loeb & Co., were to finance the railroad; a British construction firm was to build it.

It was this railroad project that Philander C. Knox, then Secretary of State, attempted to use as a springboard for one of the most ambitious schemes in American diplomacy. Speaking for the American bankers, Knox proposed that China borrow money from the principal powers for the purpose of buying all the foreign controlled railroads in Manchuria. He proposed that representatives of the powers supervise the railroads during the term of the loan. This scheme for taking the Manchurian railways from Russia and Japan and placing them in the hands of American and British bankers went

under the euphonious name of "neutralization." Fine words, decided Russia and Japan, are very lovely; but railroads are railroads. The Czarist government flatly rejected the Knox proposals, declaring that "the establishment of international administration and control of the Manchurian railroads would seriously injure Russian interests," and that the proposed Chinchow-Aigun railroad had distinct "strategic and political" importance damaging to the interests of the Chinese Eastern. The Japanese protest was equally strong and when Britain and France supported their allies, Japan and Russia, the United States was compelled to drop the Chinchow-Aigun proposal and the Knox scheme. The "neutralization" scheme was dropped only temporarily. As we shall see later, "neutralization" remained the keynote of American policy in Manchuria.

Consortiums

Although defeated in their attempts to acquire control of Manchuria's railroads, American bankers succeeded in a simultaneous struggle to participate in a six power loan (consortium) for Chinese currency reform and for the promotion of industrial enterprises in Manchuria. But this victory was also short-lived. The American bankers were forced to withdraw from the consortium when President Wilson in a statement issued March, 1913, withdrew the support of the American government, declaring that the conditions of the loan "seem to us to touch very nearly the administrative independence of China itself." Wilson's decision reflected the dominant capitalistic interests of the United States, which at the time were manufacturing and commercial rather than financial. After the World War, when the United States emerged as a large capital-exporting country, Wilson changed his tune and inspired the formation of a new consortium.

In the meantime, American attempts to penetrate Manchuria alarmed Russia and Japan and forced the two powers,

who a few years earlier had fought a bloody war, into a virtual alliance. Japan recognized northern Manchuria as a Russian sphere of influence, in return for which Russia recognized South Manchuria as a Japanese sphere of influence. The two powers presented a solid front in opposition to the Harriman schemes and the Knox "neutralization" proposals. During this period, Japan extended her influence in Manchuria and acquired control of a number of important railroads together with valuable mining and lumber concessions. In 1915 Japan took advantage of the preoccupation of the powers with the war in Europe to present China with an ultimatum demanding among other things the right to purchase land in South Manchuria, an option on all railway construction and loans in South Manchuria, and 99-year leases of Port Arthur and Dairen. China resisted for four months. Then when Japan threatened war, she granted the Japanese demands in treaties signed May 25, 1915.

Effects of the Bolshevik Revolution

The Bolshevik Revolution of 1917 marked a new phase in the international relations of Manchuria. The Russian workers and peasants overthrew Russian capitalism and with it the imperialist exploitation of colonial peoples. In the place of imperialist Russia stood the Soviet Union offering to deal with China and other colonial countries on terms of complete equality.

The imperialist powers left no stone unturned in their effort to overthrow the workers' and peasants' government, which challenged the very existence of capitalism. A barrage of lying propaganda, blockades, subsidized counter-revolutions and actual military intervention were all tried in an effort to restore capitalism in Russia.

At the same time the imperialist powers saw an opportunity to seize some of the Czarist spoils for which they hungered. By agreements with China in March and September,

1918, Japan established a joint Sino-Japanese bureau to make "arrangements" for the transportation of troops to Siberia where the United States, Japan and other allied powers were cooperating with the White Guards. While cooperating against the U.S.S.R., the allied powers were suspiciously watching one another. The United States, fearing that Japan was extending its influence in northern Manchuria and Siberia, proposed that an inter-allied commission supervise the Siberian railways, including the Chinese Eastern. In January, 1919, an inter-allied commission was formed consisting of representatives of each of the powers having troops in Siberia. This general agreement provided for two boards, a Technical Board and a Military Transportation Board, the former for the purpose of "administering technical and economic" management of the railways, and the latter for coordinating military transportation. This system was put into effect in March, 1919. John F. Stevens, an American engineer, was made president of the Technical Board.

Simultaneously, American attempts to penetrate Manchuria were revealed in the proposals for a new consortium, revived by President Wilson, who in 1913 had opposed American participation because the consortium threatened the "administrative independence" of China. American-Japanese rivalry in the Far East was apparent throughout the course of the consortium negotiations. Japan at first sought to exclude South Manchuria from the scope of the consortium; but was unsuccessful. After long negotiations, she had to content herself with assurances from the United States and Britain that they would not countenance any action by the consortium that was prejudicial to the national defense and economic welfare of Japan. These assurances were broad and elastic enough for any interpretation.

The new four-power consortium signed in 1920 contained no special reservations regarding Manchuria and was therefore a diplomatic victory for the United States, which had at last won the right to participate in the financing of Man-

churian railways. This was not merely a paper victory. Even though the consortium in the five years of its existence floated no loan affecting Manchuria, those provinces remain a field for railroad investment. It is a country with a rapidly growing population and with rich natural resources. At the end of the 19th century the population of Manchuria was only 14,000,000; by 1927 the population had increased to 24,500,000. The rich soil of central Manchuria is attracting millions of Chinese immigrants from the crowded provinces of Chihli and Shantung. In the growth of Manchuria, railroads play a vital rôle and offer an excellent field for investment.

The United States won its diplomatic victory at the cost of Japanese suspicion and hatred. American-Japanese rivalry in the Far East was extremely acute. Both countries launched large naval construction programs. Those were the days of the "Yellow Peril," when the jingo press of this country yelled for war with Japan. Diplomats and admirals frankly talked about the possibility of war. This situation culminated in the Washington Conference of 1921-1922. The Japanese, realizing that they could not compete with the United States in naval construction, agreed to evacuate Siberia and recognize the principles of the "open door" as applying to Manchuria as well as other parts of China.

On the question of the Chinese Eastern the United States was less successful. The American delegation tried to push through a proposal that smacked of the Knox "neutralization" scheme. It called for an international finance committee which should "exercise general financial control and be entrusted with the trusteeship which was assumed in 1919 and which cannot be relinquished until general recognition by the powers of a Russian government." Had this plan been successfully carried out, the Chinese Eastern would still be under the control of the imperialist powers, since no general recognition of the Soviet Union has occurred. The Chinese delegates balked at this proposal and compelled the conference to adopt a meaningless resolution for the better "pro-

tection of the railroad." At the same time the other powers adopted a resolution reserving the "right to insist hereafter upon the responsibility of China for the performance or non-performance of obligations towards foreign stockholders, bondholders and creditors of the Chinese Eastern." Thus for the second time the United States was unsuccessful in its attempts to "neutralize" the Chinese Eastern Railway.

In October of the same year, inter-allied supervision of the Chinese Eastern was brought to a close and the railroad was administered under an agreement between China and the white guard directors of the Russo-Asiatic Bank who had fled to Paris after the revolution. The émigrés claimed ownership of the railways even though they owned only a very small portion of the stock of the Russo-Asiatic Bank and even though the Soviet Government had nationalized all of the Russian banks.

The Soviet Union and China Make a Treaty

While the imperialists were quarreling over Chinese spoils, the U.S.S.R. negotiated with China for relations between the two countries on terms of complete equality and for the revision of all unequal treaties foisted upon China by the Czarist government. In treaties signed in May, 1924, the Soviet Union renounced all special privileges and concessions in China, surrendered its extraterritorial rights and gave up all claims to the indemnities wrested from China after the Boxer rebellion. The two countries also signed an agreement providing for joint operation of the Chinese Eastern, in which the U.S.S.R. returned to China all of the privileges wrested by the Czars, including the maintenance of troops in the railway area. The U.S.S.R. agreed to assume responsibility for all debts incurred before 1917. Soon after the agreements were concluded, the new management introduced the eight-hour day on the railroad and other measures for the protection of the workers. (The Chinese Eastern is

still the only railroad in China where the eight-hour day prevails.) Schools and houses were built for workers and trade unions and coöperative organizations established.

The powers which clung to their privileges regarded the Soviet Union's policy with respect to colonial peoples as a blow to imperialist exploitation, which is such an essential part of modern capitalist economy. Even before the final signature of the May treaties, several governments, including the United States, protested to China claiming that the treaties violated the Washington Conference resolution holding China responsible for the debts of the Chinese Eastern Railway. (China, it will be remembered, had never agreed to the resolution.)

The United States protest was based on claims that the United States had spent about four million dollars on the Chinese Eastern and Siberian Railways under the authority of the Inter-Allied Technical Board. This was a doubtful claim, to say the least, since the board had spent the money to further its military expedition against the Soviet Union. In reply to the American protest, China reminded the United States that matters concerning the Chinese Eastern were for the disposition of the U.S.S.R. and China alone.

The relations between the U.S.S.R. and China, although officially friendly, were frequently strained after the signing of the treaties. From 1924 to 1927, there were many cases of treaty violations by the Manchurian war lord, Chang Tso-lin. The Manchurian authorities continued to protect and encourage the organization of military detachments of Russian Tsarist émigrés. In 1925, the manager of the Chinese Eastern Railroad, a Soviet citizen, was arrested because he refused to transport Chang's troops without payment.

While the imperialists and the war lords intrigued against the Soviet Union, workers', peasants', students', and even middle class organizations hailed the Soviet Union as the friend of Chinese nationalism. In 1925, the Central Committee of the Kuomintang, which at that time was still conducting a genuine

struggle for Chinese nationalism, passed a resolution declaring that the only government with which it could coöperate was the U.S.S.R.

The Kuomintang Betrays the Revolution

The amicable relations between the Soviet Union and the Kuomintang lasted until that organization betrayed the Chinese revolution and became a counter-revolutionary medium for imperialist intrigue. In 1926 and early in 1927, the nationalist armies swept northwards from their base in Canton and gained control of the Yangtse Valley. More significant than the military victories was the awakening of the millions of workers and peasants throughout southern and central China. Hundreds of labor and peasant unions sprang into being. Gigantic strikes shut down the mills where men, women and children had toiled twelve, fourteen and sixteen hours a day. Chinese as well as foreign owned mills were closed. It was at this point that the Chinese bourgeoisie and the careerist generals of the Kuomintang betrayed the nationalist movement, butchered thousands of workers' and peasants' leaders, and set up a reactionary government at Nanking. Since 1927, the Chinese war lords, affiliated and unaffiliated with the Kuomintang, have repeatedly violated their treaties with the Soviet Union. They have raided Soviet diplomatic quarters, arrested and murdered Soviet citizens and looted Soviet property. In April, 1927, the Chinese authorities, with the written permission of the foreign diplomatic corps, raided the Soviet consulate in Peking. The Soviet Government in a protest note expressed its policy towards China—a policy to which it has since consistently adhered. The Soviet note said:

Any imperialist government representatives having been submitted to similar acts of violence, would have retaliated with acts of most atrocious reprisals. Though the Soviet Government possesses sufficient technical resources to resort to enforcing its demands by

repressive measures, it nevertheless declares that it positively desists from such measures. . . . The Soviet Government was, is, and will be guided in its policy by the interests of the toiling masses of the whole world and among others by the interests of the Chinese people and the working classes of all countries. In reply to the Peking provocation, the Soviet Government declares that it will not let itself be provoked by anybody and will by all means maintain peace among the nations. The Soviet Government does not doubt that in its endeavor to maintain peace it will have the concerted support of the toiling masses of all countries, and among others, first of all the people of China and of the U.S.S.R.

The Soviet Government recalled its chargé d'affaires and thereafter maintained only consular relations with China. Nevertheless the provocative raids on Soviet diplomatic quarters continued. In December, 1927, the Kuomintang war lords raided the Soviet consulate in Canton and arrested the consul-general. The strained relations between the U.S.S.R. and China continued until in 1929 they culminated in the seizure of the Chinese Eastern by the Chinese and the subsequent critical situation marked by the intervention of the powers.

Mr. Stimson and the Kellogg Pact

Economically the United States is the most powerful nation in the world. Its rapid rise to world supremacy, its emergence as the money center and chief manufacturing and exporting nation of the world is a story that has been frequently told. The United States has been less proficient in the development of political instruments for expressing its world hegemony. Many of its policies still trail the umbilical cords of the nineteenth century which gave them birth. Now the United States is attempting to make up for this deficiency; it is revising old policies; whipping old doctrines into conformity with its rôle as the most powerful imperialist nation in the world. In opposition to the League of Nations dominated by British and French imperialism, the United States, under the guise of promoting world peace, is developing the Kellogg

Pact as an instrument for expressing its world hegemony. In the dispute between the Soviet Union and China resulting from the seizure of the Chinese Eastern Railroad by the Chinese, the United States intervened in spite of the opposition of Japan and Germany, with two purposes in view: (1) to revive its old schemes for the "neutralization" of the Chinese Eastern; (2) to develop the Kellogg Pact as a powerful weapon against its imperialist rivals.

As regards the second point, the well-informed correspondent of the *Baltimore Sun* who reported the London Conference wrote, late in December, 1929, as follows:

Put briefly, the situation as viewed unofficially here is that the United States within the past summer has set up a Kellogg Pact machinery for maintaining the peace of the world which threatens to rival the League of Nations.

This machinery, despite the fact that the French scornfully point out that it rests only on public opinion, is a powerful one when dominated by the United States. Furthermore, Mr. Stimson has indicated that the United States intends to dominate it as long as the Hoover Administration remains in office.

Under this machinery, the United States, and the United States alone, can decide whether it will throw its weight against a nation embroiled in a dispute threatening the Kellogg Pact. To do this, it does not need to take any vote on the question; it does not even need to have the approval of all of the major powers, as illustrated by the disapproval of Japan and Germany in advance of Secretary Stimson's action regarding Manchuria. Finally, the machine is one against which not even the United States Senate has raised its voice. As opposed to this, the League of Nations machinery, which France sees subordinated . . . is a mechanism partly controlled by her.

The motives of the United States in intervening in the Manchurian dispute can hardly be regarded as altruistic. It is even possible that American interests played some rôle in the seizure of the Chinese Eastern. Let us examine the dispute and the nature of American intervention.

On May 27, Chinese police broke into the Soviet consulate in Harbin, searched the premises, seized part of the correspondence of the consulate and arrested 39 Soviet citizens, in-

cluding a number of officials of the Chinese Eastern. The Soviet Union sharply protested against the raid and announced that in the future it would not recognize the extraterritorial status of the Chinese embassy and consulates in the U.S.S.R. While expressing its friendship for the Chinese people, the Soviet Government warned the Nanking régime against "further trying the patience of the government of the U.S.S.R. by provocative actions and the violation of treaties and agreements."

The Chinese war lords disregarded the Soviet warning. Early in July, Chiang Kai-shek, the Nanking war lord, Chang Hseuh-liang, virtual ruler of Manchuria, and Yen Shi-shan, a powerful and ambitious military leader who was awaiting an opportune moment to strike at Chiang, conferred in Peking and apparently decided to seize the Chinese Eastern. The motives of the war lords differed. Chiang, it seems, hoped to unite the rival war lords by means of a common cause against the Soviet Union and to strengthen the Nanking régime as spokesman for China. Chang Hseuh-liang believed that the seizure would strengthen his position in Manchuria. On July 10 the Chinese broke their treaty pledges and seized the Chinese Eastern Railroad on the pretext that the Soviet Union was carrying on Communist propaganda in Manchuria. Chinese police seized the Soviet trade offices, destroyed the trade union and coöperative organizations on the Chinese Eastern and replaced the Soviet manager and assistant manager of the railroad with Chinese.

Railroad Interests

It is not unlikely that American interests were connected with the seizure of the railroad. On April 4, three months before the Chinese confiscated the Chinese Eastern, the *New York Times* announced that the Nanking government had consulted American railroad interests with regard to the re-

organization of the railroad along "American lines." It had selected J. J. Mantell, formerly vice-president of the Erie Railroad, chiefly distinguished for breaking the Erie railwaymen's strike of 1920, to survey the Chinese government railroads including the Chinese Eastern. The *Times* neglected to mention that the "railroad interests" consulted by the Nanking government consisted of W. W. Atterbury, president of the Pennsylvania Railroad, and L. F. Loree, president of the Delaware and Hudson Company and its thirty-nine subsidiaries. Atterbury and Loree are two of the most aggressive railroad magnates in the country. Both are interested in the development and control of railroads abroad. It is quite possible that there was no connection between the Mantell visit and the seizure of the railroad; on the other hand, the hypothesis that these events were not unrelated is strengthened by the traditional interest of American railroad magnates and diplomats in the Chinese Eastern as an important "artery of commerce" between Europe and the Far East. From the days of Harriman and Knox to those of Atterbury and Stimson, the United States has consistently sought the "neutralization" of the Chinese Eastern.

Whether or not American interests were in any way connected with the seizure is yet unknown. But there is evidence that the United States took advantage of the dispute between the U.S.S.R. and China to revive its old proposals for the "neutralization" of the railroad and when these fell through did everything possible to hinder a settlement of the conflict.

Sino-Soviet relations reached a critical stage immediately after the seizure of the railroad because of the Chinese refusal to restore the *status quo* and negotiate its dispute with the Soviet Union. Three days after the Chinese militarists seized the railroad, the Soviet Union addressed a sharp note to China demanding the release of arrested Soviet citizens, a conference to regulate all questions concerning the railroad and the "immediate cancellation of all arbitrary orders re-

garding the railroad." The Soviet note demanded a reply within three days. The Chinese answer was an insolent defense of the seizure of the railroad and an evasion of the Soviet Union's demands for a conference. On July 17 the Soviet Union recalled its diplomatic and commercial representatives in China and suspended railway communications between the two countries. During this exchange of diplomatic notes, detachments of Chinese and White Russian troops were mobilizing on the border.

It was at this stage that the United States first intervened. On July 18, after preliminary conversations with the powers, the United States Government reminded China and the Soviet Union (through France, since the United States still refuses to recognize the U.S.S.R.) that they were signatories of the Kellogg Pact and expressed the hope that the U.S.S.R. and China would settle their dispute peaceably. Both promised to remain mindful of their obligations under the Kellogg Pact.

The basis for the action of the United States government was not quite clear, since the Kellogg Pact had not yet gone into effect. State Department officials advanced several theories for the action of the United States. They first intimated that the interest of the United States in the Manchurian crisis was based on the Four-Power Treaty signed at the Washington Conference under which the United States, Great Britain, France and Japan agreed to "communicate fully and frankly" with respect to matters threatening their insular possessions in the Pacific. This explanation was obviously too thin and was subsequently abandoned. Then it was announced that in intervening, the United States was solely concerned with the terms of the Kellogg Pact. To the Kellogg Pact explanation, Stanley Hornbeck, Chief of the Far Eastern Division of the State Department, subsequently added another excuse for American intervention.

"By reason of the trusteeship assumed and exercised with regard to the Chinese Eastern during years 1919-1922," Horn-

beck declared, "the powers which participated in the Siberian expedition, among them the United States, have a natural concern, moral, at least, legal to some, with regard to developments which affect the Chinese Eastern Railway."

This explanation is extremely interesting since the United States could on this basis claim a "moral" and possibly "legal" concern in the trans-Siberian railroad (on Soviet soil), parts of which were under the beneficent "trusteeship" of the powers participating in the Siberian expedition.

The Secret "Aide Memoire"

Far more important than his communication of July 18 was a secret *aide memoire* which Stimson handed to the diplomatic representatives of Great Britain, Japan, France, Germany and Italy just one week later. The contents of the document were never made public, but their nature was revealed in press reports in various capitals, presumably emanating from the Japanese and German foreign offices. In its issue of August 7, the Moscow *Pravda* printed a despatch from Vienna declaring that Stimson's *aide memoire* had proposed the appointment of a neutral commission to study the Manchurian dispute, that both Soviet and Chinese troops refrain from hostile action and that a body of five Soviet citizens and five Chinese headed by a neutral chairman operate the Chinese Eastern. Similar reports had appeared several days earlier in the Japanese press. The well-informed correspondent of the Baltimore *Sun* even charged that this secret note had contained a veiled suggestion that the powers assist China in purchasing the railroad. (Although the Sino-Soviet agreements permit China to purchase the railroad in 1932, they explicitly state that the purchase must be made with Chinese funds.)

The State Department never denied these charges. It maintained a discreet silence about the contents of the *aide*

memoire and even refused to admit that such a document existed. Hornbeck, in a speech about the Manchurian crisis, referred to the press reports concerning its existence. "I am not in any position to make *any* statement on that point," he said. However, he did discuss the general position of the United States regarding Manchurian railway politics. The United States, he said, owns no railways in Manchuria nor does it have any appreciable investments in Manchurian railways. Then he added:

Concerning the Chinese Eastern, it needs to be remembered that physically and economically, it is not an independent railway unit; it is a link in the one and only direct railway route from Europe, across Siberia to the Asiatic ports of the Pacific Ocean. Concerning the South Manchurian line, it needs to be remembered that it is the link between the trans-Siberian line and the ports and territories of China and Japan. These lines, therefore, no matter who built them or who owns them or who administers them, are not exclusively of Russian or exclusively of Japanese concern. They were born in and of international politics. They serve not alone the people or purposes of any one country. They are "public carriers" in a much broader sense than that which is usually connoted by that expression. One war has already been fought because of them—a war very expensive to the two belligerents and to the country upon whose soil it was fought.

Hornbeck then emphasized "neutralization" as the traditional policy of the United States in the international scramble for Manchurian railways. He stressed the Knox proposals of 1909 and the inter-allied supervision of the Chinese Eastern from 1919-1922. The State Department refuses to discuss the secret notes of July 25 but Hornbeck's speech suggests the general nature of their contents.

According to the *Baltimore Sun*, Japan, Britain and Germany rejected the American proposals. Certainly the Japanese press made it clear that Japan resented the Stimson proposals for international action in the Chinese Eastern dispute just as she had resented the Knox proposals of 1909.

The Red Army Speaks

In the meantime, Chinese and White Guard detachments crossed the Soviet border and raided Russian villages. The Chinese authorities in Harbin arrested thousands of Soviet citizens. Soviet notes to Germany cited numerous border raids by the Chinese and the murder of scores of Soviet citizens. Through Germany, the Soviet Union repeatedly warned China against further depredations but the Chinese disregarded these warnings, and continued their attacks. Then the Soviet Union retaliated. Red Army detachments repulsed the Chinese forces, crossed the border and pushed their way into Manchuria. The Chinese retreated, looting towns as they went. Having driven the Chinese far back into Manchuria, the Red Army detachments began to withdraw.

Apparently the Chinese war lords were more readily persuaded by this show of force than by the series of diplomatic protests which preceded it, for on November 21 the press reported that Chang Hseuh-liang, the Manchurian war lord, was seeking to negotiate a settlement of the railroad dispute. On December 2, as the negotiations were proceeding and the Soviet troops completing their evacuation from Manchuria, the United States appealed to China and the Soviet Union to settle the dispute peacefully and pointed to their promises under the Kellogg Pact.

"The American government feels," the American communication said, "that the respect with which China and Russia will hereafter be held in the good opinion of the world will necessarily in great measure depend upon the way in which they carry out these most sacred promises."

Stimson's gratuitous intervention was puzzling. For several days before the United States despatched its communication, it was apparent that the Soviet Union and China were negotiating for peaceful settlement of their dispute. Even State Department officials acknowledged that a peaceful settlement

appeared to be near. State Department claims that the United States was not informed of the negotiations are curious in view of the press reports from various capitals reporting and commenting on the imminent settlement of the dispute. On November 27, the Associated Press reported from Moscow that negotiations were proceeding satisfactorily. Two days later the A.P. correspondent in Paris reported that the United States, France and other powers had agreed to intervene but had changed their plans because "Moscow and Mukden opened direct negotiations." On the same day, Litvinov, acting Commissar of Foreign Affairs, handed the German ambassador a note replying to the offer of the Nanking government to negotiate the dispute and saying that since the governor of Manchuria had agreed to Soviet terms, Nanking's belated offers to settle the dispute amicably were superfluous. Even reports from Washington, dated November 29, announced that the State Department had received information that Soviet troop movements were small and that the situation was not critical. These and numerous other reports appeared in the press. The State Department was perfectly aware that the U.S.S.R. and Mukden were negotiating for a peaceful settlement. Why then did the State Department urge the Soviet Union and China to do precisely what they were doing? One explanation advanced in the Soviet press is that the United States desired to interfere with the negotiations. Another explanation is that the United States wished to take advantage of the situation to strengthen the Kellogg Pact and establish a precedent for American intervention in international disputes.

Great Britain and France associated themselves with the United States and sent notes to the Soviet Union and China. Germany and Japan refused to follow the lead of the United States; both indicating that the invocation of the Kellogg Pact was superfluous in view of the direct negotiations between the U.S.S.R. and China.

In its reply to the Stimson note, the Soviet Union de-

clared that the United States had intervened at a moment when the U.S.S.R. and the Manchurian government were conducting direct negotiations for a settlement of their dispute and pointed out that the Kellogg Pact did not authorize any single state or group of states to act as the guardian of the Pact. The Soviet note declared that the dispute between the U.S.S.R. and China could only be settled by direct negotiations of the two powers concerned and expressed "amazement that the United States, which by its own will has no official relations with the Soviet Union deems it possible to apply to it with advice and counsel." The Soviet note was dated December 3. On the same day—one day after Stimson's intervention—a preliminary agreement for the settlement of the dispute was reached. The Mukden government agreed to adhere to the 1924 treaties and to dismiss the Chinese chairman of the board of directors of the Chinese Eastern.

The next day Stimson in a statement to the press in reply to the Soviet memorandum had the temerity to suggest that the negotiations between the U.S.S.R. and Mukden showed that the "public opinion of the world is a live factor which can promptly be mobilized and which has become a factor of prime importance in the solution of problems and controversies which may arise between nations."

On December 22, China and the U.S.S.R. signed a protocol providing for the restoration of the *status quo* with regard to the administration of the Chinese Eastern.

Kellogg Pact—Weapon of Imperialist Struggle

American intervention in the Manchurian dispute revealed a new trend in American foreign policy; it revealed the deliberate attempt of the United States to strengthen the Kellogg Pact as a weapon in its struggle for world domination. The United States is not a member of the League of Nations, which is controlled by France and Britain. In opposition to the League, the United States must create an international

political instrument which it can manipulate. The necessity for such a policy becomes greater as the conflict between the United States and its imperialist rivals grows more acute.

The Kellogg Pact, literally interpreted, is a meaningless document. In vague language it "obliges" its signatories to renounce war as an "instrument of national policy." As a "peace pact" it means nothing except in so far as it provides imperialist statesmen with material for bombastic hypocritical speeches about "peace," arouses pacifist illusions and creates a smoke screen for the very diligent war preparations now in progress. But in the hands of the United States, the Kellogg Pact becomes not merely a smoke screen, but an effective instrument in the American struggle for world domination. Stimson's actions in the Manchurian dispute revealed that the United States intends to use the pact as an excuse for intervention in international disputes. What methods of intervention can the United States use under the Kellogg Pact? According to press reports Stimson's note of July 25 suggested that an international committee investigate the Manchurian dispute. The State Department never denied these charges. The press also reported that Britain, Japan and Germany flatly rejected Stimson's proposal, indicating that the other imperialist powers refuse to permit the United States to interpret the Kellogg Pact to suit its own interests. Faced with this opposition, the United States is seeking to "supplement" or "implement" the Kellogg treaty. Edwin L. James, London correspondent for the *New York Times*, reports that in November, 1929, Stimson actually suggested to the French government that steps be taken to strengthen the pact. James writes:

Last fall when Washington invoked the Kellogg Pact in the Russo-Chinese dispute, Mr. Stimson found a lack in the anti-war pact. Based upon the force of public opinion, he saw that in order that public opinion should make its force felt, it must have facts, and in the Manchurian dispute it did not have facts. He then suggested to M. Briand through Ambassador Claudel that provision should be

made for inquiry and report. He still believes in the wisdom of this policy, and, indeed, so does President Hoover. The French Foreign Minister found it not feasible to renew these discussions at length with Mr. Stimson here (London), for fear of complications. But who will deny that he takes away from London very good assurance that in the future—perhaps when the Senate has done with the naval treaty—Washington and Paris may resume this project of giving effect to the anti-war treaty.

In attempting to strengthen the Kellogg Pact as an instrument against the Soviet Union and rival imperialist powers, and revive her scheme for the “neutralization” of the Chinese Eastern, the United States further antagonized her imperialist rivals. Japan resented Stimson’s attempt to intervene in Manchuria, which she regards as her sphere of influence.

The “Russian Menace”

But if Japan opposed Stimson’s scheme, it is not because she has any love for the Soviet Union. Throughout the continuous squabbling at the London Naval Conference, the powers were unanimous on only one point—the “Russian menace.” Edward Price Bell, correspondent for the *Chicago Daily News*, describes the U.S.S.R. as a “vast invisible presence occupying the thoughts of all the delegates”; a presence producing an “excellent effect” on the conference because “it is tending to create a sense of community in the five powers of highest maritime rank.” He explains that Japan fears possible aggression from the Soviet Union through Siberia and that the stronger Japan becomes “the safer it will be should Russia turn dangerous.” Italy and France, he continues, are strongly anti-Soviet, and Germany, like Japan, fears Soviet aggression. Therefore, says Bell, the United States and Great Britain are protected on both flanks—in western Europe and in the Far East—against the Soviet Union. “The peril to either Britain or America from Russia may seem too remote for practical discussion but far less remote than it seems.

Bolshevik agitation continues ceaselessly throughout the world."

Certainly the United States and Great Britain do not fear military invasion from the Soviet Union. What they are afraid of is "Bolshevik agitation"; that is, the international working class movement. The struggle of the Indian and Chinese masses to free themselves from imperialist domination makes this fear particularly acute at the present moment. And it is because the Soviet Union represents the first realization of the aspirations of the working class that the powers plot its destruction. It is an exaggeration to state, as Bell does, that the United States wishes to see a stronger Japanese navy because it fears Bolshevism. The London Conference clearly showed that imperialist rivalries are keener than ever. But acute though these differences be they do not mitigate the danger of an imperialist attack against the Soviet Union.

The War Danger

As we have seen, the United States and Japan, despite their bitter rivalry in the Far East, coöperated with the White Guards in a military expedition in 1919 to overthrow the Soviet Government. A repetition of such an attack is more than likely. Japan has constructed an intricate network of railways in Manchuria which permits the rapid transportation of thousands of troops from Korea and South Manchuria to the Siberian border. French and British military strategists have undoubtedly worked out similar plans for attack from the Baltic, Balkan and Near Eastern states. Precisely when these plans will be put into operation, precisely when the hatred of the imperialist powers will flare into an open war against the Soviet Union, no one can prophesy; but it is against this danger that the workers of the world must remain on constant guard.

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