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CABINET.

THE LYTTON REPORT, JAPAN AND THE LEAGUE OF NATIONS.

1. THE Lytton Commission, appointed by a Resolution, dated the 10th December, 1931, of the Council of the League, has presented a unanimous Report, which comes before the Council (under the Presidency of Mr. de Valera) on the 21st November. The Report is unanimous, being signed by the American, French, German and Italian members, as well as by the Chairman. It is divided into ten chapters, the first eight of which deal with matters of history and fact, while Chapter IX is entitled "Principles and Conditions of Settlement" and Chapter X "Considerations and Suggestions to the Council." Japan applied for, and was given, time to prepare observations on the contents of the Report and these observations are being circulated before the Council meets. It may be assumed that they will strongly challenge the conclusions of the Commission. On the other hand, as the representatives of five nations, after hearing both sides and visiting the ground, are in agreement on the Report, it is difficult to suppose that the Council will reject its findings. As regards the recommendations of the Report, these take the form of suggestions to China and Japan—*e.g.*, the granting by the Government of China of autonomy to Manchuria, the negotiation of a Sino-Japanese Treaty providing for Japan's special interests, &c.—rather than of explicit advice to the Council of the League as to what it should decide to do. But the deliberations of the Council, in view of the attitude taken up by Japan, are not unlikely to result in a serious situation, and I feel that I should place before the Cabinet some information about it and indicate the course of action which may have to be taken.

2. I will not trouble the Cabinet with questions of procedure: the complication arises because there are three bodies (i) the Council, (ii) the Committee of Nineteen, appointed by the Assembly, and (iii) the Assembly itself, all of whom will have something to say. The Report is made to the first named, and it would be possible for the Council to pass the matter over to the Committee of Nineteen forthwith. But before this happens the Japanese representative, Mr. Matsuoka, who has been sent specially from Tokio, will present the Japanese case to the Council and, no doubt, the Chinese representative will reply. After that everything is uncertain. Sooner or later the Committee of Nineteen, presided over by M. Hymans, will take the matter in hand and will presumably frame a Resolution which will be recommended to the Assembly for its acceptance. The presence of a majority of small States and the very successful propaganda conducted by the Chinese representative constitute conditions under which things are likely to go unfavourably to Japan in the Assembly.

3. The first question is whether the Council should approve the Report, or at any rate the first eight chapters which contain conclusions of fact. These chapters give an admirable account of the quite unique character of the Manchurian controversy, and lay stress on the shortcomings of China, and of the absence of any settled government as a contributory cause of the Manchurian trouble. They also recognise fully the special interests of Japan in Manchuria, *e.g.*, in connection with the South Manchurian Railway which Japan acquired from Russia. But the authors of the Report are unanimously of opinion that

the explanation put forward by Japan for starting military operations, viz., the alleged blowing up by the Chinese of the railway line, is not a sufficient justification for its military activities in Manchuria during the past year, and, indeed, the Report throws grave doubt on the Japanese version of the incident. Also, the Report reaches the conclusion that the creation of Manchukuo was not due to the spontaneous action of Manchurian inhabitants, but was due to the organised intervention of Japan. As I have said, I do not see how the Council of the League can be expected to do other than accept the unanimous Report of its own Commission who have investigated matters on the spot, and I should expect this to be the first decision reached at Geneva.

4. But this decision, however natural in itself, brings in its train some very serious consequences. If the Commission's findings of fact are accepted, Japan appears to be responsible for a disregard of the Nine-Power Treaty, by the terms of which she, along with the other signatories, was bound to respect the integrity of China. This, of course, is Mr. Stimson's view. If the truth is that Japan has deliberately promoted the creation of the new Manchurian State, and has followed this up by recognising it, it is natural to contend that she has broken the Treaty. There will be those on the Council who will also contend that, on these findings, Japan has disregarded the Covenant, alleging that she has resorted to war without taking the preliminary steps to resolve her controversy with the Chinese authorities which the Covenant provides. The authors of the Report appear to desire to ward off this latter conclusion by an important paragraph in Chapter IX, which runs as follows:—

"It must be apparent to every reader of the preceding chapters that the issues involved in this conflict are not as simple as they are often represented to be. They are, on the contrary, exceedingly complicated, and only an intimate knowledge of all the facts, as well as of this historical background, should entitle anyone to express a definite opinion upon them. This is not a case in which one country has declared war on another country without previously exhausting the opportunities for conciliation provided in the Covenant of the League of Nations. Neither is it a simple case of the violation of the frontier of one country by the armed forces of a neighbouring country, because in Manchuria there are many features without an exact parallel in other parts of the world."*

5. None the less, the League organs which are considering the matter will find it very difficult not to pronounce what amounts to a condemnation of Japan. Yet this may produce some very embarrassing, and even dangerous, results, for Mr. Matsuoka, the Japanese delegate, has recently told me that if the League arrives at conclusions which conflict with Japan's sense of dignity, Japan will leave the League. Apart from the deterioration of relations with Japan which this might imply, Japan's withdrawal would be especially regrettable, because the opportunities of contact with and influence over her would be seriously lessened. I do not for a moment imagine that Japan wants to leave the League, and there may be a considerable element of bluff in the warning I have received, but it makes it very necessary to act with extreme caution.

6. Another issue which is likely to be raised is that of a League declaration refusing to recognise the acceptance of the State of Manchukuo. Last March the League, endeavouring to put itself in line with Mr. Stimson, adopted a Resolution:—

"That it is incumbent upon the members of the League of Nations not to recognise 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."

That, however, was an abstract declaration, whereas the attempt will now be made from some quarters to apply it specifically to the findings of the Lytton Report. Recognition is not a right which any new State may claim; it is a privilege which existing States may confer on the newcomer. But it is also a convenience to both sides, and I should hesitate very much, whatever may be the rights and wrongs of the origin of Manchukuo, to pledge the British Government to all eternity never to recognise the new State if it becomes definitely established, notwithstanding its illegitimate origin. At any rate, indefinite non-recognition

* Lytton Report, p. 126.

is a practical policy only if all other States do the same, and there are States outside the League interested in trade with Manchukuo who would not be bound by a League Resolution.

7. Lastly, there is the question whether there is anything which the League can properly do or suggest to promote a reconciliation between China and Japan or to establish a compromise in regard to Manchuria. It has been suggested that though the League can do nothing directly, it might invite the Powers with special interests in the Pacific (including the United States, Soviet Russia and Germany) to organise a Conference to consider the future of Manchuria. This is much the kind of proceeding which is contemplated in the Nine-Power Treaty in case of trouble arising affecting China and involving the Pacific Powers. While there may be no objection to this course in principle, I am disposed to think that Japan will decline to have anything to do with it on the ground that she has done nothing wrong and that there is nothing to investigate, and I suspect that the United States would much prefer to disclaim responsibility by leaving the League of Nations to grasp the nettle itself and then bewailing the ineffectiveness of Geneva if a League of Nations solution is not forthcoming.

8. In these difficult circumstances it seems to me that British policy must keep in mind the following *desiderata*; though it will be difficult to pursue them all at the same time. We ought to act as a loyal member of the League and avoid, as far as possible, bringing down on ourselves the condemnation which would attach to isolated or prominent individual action. It is impossible to abandon loyalty to the League and its principles merely because Japan would prefer this: we must explain to Japan that the course we take is *pro* League and not *anti* Japan. Even if other considerations did not compel this course, we have to remember the serious consequences to our trade of antagonising China. In fact, we must strive to be fair to both sides. But we must not involve ourselves in trouble with Japan.

(Initialled) J. S.

Geneva, November 19, 1932.

