

camera often leaks out to the Chinese authorities of the Three Eastern Provinces. They in turn would try to obstruct any forward movements of the South authorization, it again has to run the gauntlet at the Departments of Foreign Affairs, of Railways, of Finance and of Army. If these ministers do not agree, the matter is dropped. Therefore, although the present prime minister realizes his own incompetence, he has nevertheless taken concurrently the port-folio of foreign affairs, so that our movements in Manchuria may be kept confidential and the execution of our plans may be swift and decisive. On account of these reasons, the South Manchuria Railway should be radically re-organized. All appurtenant enterprises which are profit-making should be made independent companies under the wings of the South Manchuria Railway, so that we may take determined steps on the conquest of Manchuria and Mongolia. On the other hand, Chinese, Europeans and Americans should be invited to invest money in the South Manchuria Railway on the condition that we have a plurality of its stocks. In that event the control of the Company is in our hands, and our mission from the empire can be discharged more vigorously. In short, by inviting international participation in the South Manchuria Railway, we can blind the eyes of the world. Having achieved that, we can push our advance in Manchuria and Mongolia at our will, free ourselves from the restraint of the Nine Power Treaty and strengthen our activities in that country with foreign capital.

The important appurtenant enterprises of the South Manchuria Railway are:—

1. *Iron and Steel*

Iron and steel are closely connected with national development. Every country today attaches great importance to it. But because of the lack of ores, we have found no solution to this problem. Hitherto we have had to import steel from the Yangtze Valley and the Malay Peninsula. But according to a secret survey of our General Staff, a wealth of iron mines are found in many places in Manchuria and Mongolia. A conser-