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January 3, 1935.

RELATIONS BETWEEN THE UNITED STATES AND COUNTRIES OF THE
FAR EAST -- ESPECIALLY JAPAN -- IN 1935

Suggestions for Procedure

I venture to express the opinion that in the field of foreign relations the most important problem confronting the United States for the year 1935 is that of relations with Japan.

In the field of relations between the United States and Japan we are confronted with a much more obvious possibility -- I do not say probability -- of war than in the field of relations with any other country. Inasmuch as the most important single objective in our foreign policy is that of peace; and as a breach of the peace by Japan, whether in the form of an attack upon us or of an attack upon some other country, would be a distinct setback to the cause of peace; and inasmuch as a war between ourselves and Japan could not fail to bring to us more of disadvantage than of advantage; and inasmuch as our action in relations with Japan will contribute substantially toward the molding of tendencies on the part of the Japanese either toward or away from war, the problem of action by the American Government in the field of relations with Japan and, in connection therewith, in relations with the countries of the Far East in general is and will be of outstanding importance. I

firmly

firmly believe that this problem transcends in importance any other one problem with which this Department is dealing or will have to deal during this year.

I ventured a few weeks ago to state what I thought should be in broad outline the policy of the United States with regard to the Far East. I said:

"That which should be the policy of the United States with regard to the Far East can readily be summed up in one sentence: (a) to act with justice and with sympathy, as a 'good neighbor', . . .; (b) to speak softly; and (c) to carry a big stick."

I still think and shall continue to think that the points (a), (b) and (c) set forth in that sentence should stand as the cardinal principles by which we should be guided at every step and in every act in our conduct of "Far Eastern relations" during the critical year which lies ahead.

The London Naval Conversations have served a useful purpose in having brought Japanese thought and British thought into clearer perspective, in having compelled the governments most concerned to take careful stock of their positions, and in having focused the attention of the world upon the realities of the problem of limitation of naval armament.

A. With regard to courses of action:

It is believed that we should make it our resolve to avoid as far as possible the injection by ourselves of new questions or the raising by us of new issues in relations with Far Eastern countries, especially relations with Japan. If new questions or new issues are brought forward by others, we should take plenty of time to consider the factors involved and should expect to employ "Fabian" strategy and tactics.

It is believed that we should plan to avoid being drawn during this year into any new commitments of a formal or quasi-formal character with regard to questions of the Far East. It is quite likely that we will be approached by the Japanese with suggestions or proposals looking toward a non-aggression pact or some agreement approximating such. It is possible that we will have some proposals from Great Britain envisaging agreements with regard to Far Eastern policy. In any such event, it would be well for us to give to the matters and factors involved ample scrutiny before committing ourselves in any way.

The London naval conversations have served a useful purpose in having brought Japanese thought and British thought into clearer perspective, in having compelled the governments most concerned to take careful stock of their positions, and in having focused the attention of the world upon the realities of the problem of limitation of naval armament.

armament. Day by day the American people are being enabled to take clearer cognizance of the facts which need to be known and to be weighed in and with regard to the situation in the Far East and the problems which confront the American Government in connection therewith. We should welcome the support which the anticipated termination of the Naval Treaty gives to the policy which this Administration has adopted and with which it expects to proceed of enlarging and improving our naval equipment. We should not, for the moment at least, regret the fact that there is in prospect the possibility that we shall have, along with other countries, entire freedom of action in regard to our naval building program. It is better that there be no treaty than that there be a treaty the provisions of which irk and irritate one or more of the parties thereto and tie the hands of others in connection with matters which are vital (as is the matter of national security).

We should be very cautious about suggesting any new agreements or receiving suggestions for any such. The only kind or kinds of agreements that would be likely to be susceptible of conclusion under existing circumstances would be such as would consist either of mere platitudinous statements and/or equivocal provisions and/or high-sounding but meaningless pledges entered into with mental reservations on the part of one or more of the signatories. Such agreements would solve no problems.

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It is a fact that Japan has broken various of her pledges with regard to matters which are important and which, some at least, she regards as vital. It is a fact that the Japanese conceptions today of legality, of morality and of expediency differ from ours. Whatever may be the situation a year from now or later, we should avoid action which, if taken, would in fact or by implication give countenance to or condone those of Japan's recent acts which we believe to be unlawful and/or inconsistent with the general principles of international morality in which we believe. There is no question in existence today between ourselves and Japan which calls for any early settlement, any early gesture or any early concession on our part. We can afford to be deliberate in relation to any advances which it may some day become desirable for us to make or any approaches which may be made to us.

The thing most needed now is that we be and that we show ourselves quietly self-confident as regards attitude and definitely strong as regards military preparedness and domestic factors, both political and economic, which relate thereto. What Japan aspires to today is national strength. What Japan will respect on the part of others, and particularly on the part of the United States, will be national strength. To be, in relations with Japan, secure, and to have, in relation to our legitimate interests in the Far East, influence, we must possess both the fact and the appearance

appearance of political and economic and military strength, especially the strength of a powerful and adequately equipped Navy.

The expression "open door policy" has, unfortunately, become attached to our policy of equality of opportunity in relation to China in particular (and our policy of maintaining the idea of maintaining the integrity of China). Certain observers and givers of advice are suggesting that we "repeal" or "give up" the open door policy. But as a matter of fact, our policy of seeking to observe and to obtain respect for the principle of equality of opportunity and, in connection therewith, seeking to obtain respect for the principle of territorial integrity in regard to China, is merely a particular application of certain principles which are general in regard to our foreign policy. Our "Far Eastern" or "China" policy is not peculiar in regard to these matters. For we believe in the principles which we advocate here in respect (in that connection) to the principles professed (but not in all cases completely lived up to) by the other powers, especially Great Britain. Moreover, both of these principles are embodied in a number of treaties to which we are party, especially the Nine Power Treaty (which had fourteen signatories) and the Open Door Policy and the covenant of the League of Nations; and they may be said to be more or less underwritten by the Pact of Paris. For us to scrap or give up the open door policy would mean that we either change our whole foreign policy in regard to equality of opportunity and territorial integrity of existing states

B. With regard to certain particular questions:

1. The "Open Door Policy".

The expression "open door policy" has, unfortunately, become attached to our policy of equality of opportunity in relation to China in particular (and our policy of championing the idea of maintaining the integrity of China). Certain observers and givers of advice are suggesting that we "scrap" or "give up" the open door policy. But as a matter of fact, our policy of seeking to observe and to obtain respect for the principle of equality of opportunity and, in connection therewith, seeking to obtain respect for the principle of territorial integrity in regard to China, is merely a particular application of certain principles which are general as regards our foreign policy. Our "Far Eastern" or "China" policy is not peculiar in regard to these matters. Nor do the principles which we advocate (and to which we pay respect) in that connection differ from the principles professed (but not in all cases scrupulously lived up to) by the other powers, especially Great Britain. Moreover, both of these principles are written into a number of treaties to which we are party, especially the Nine Power Treaty (which has fourteen signatories); they are comprised within the covenant of the League of Nations; and they may be said to be more or less underwritten by the Pact of Paris. For us to scrap or give up the open door policy would mean that we either change our whole foreign policy in regard to equality of opportunity and territorial integrity of existing states

or

or make a definite and specific exception as regards the Far East. We certainly will not do the former. To do the latter we would have to go back on our treaties, indicate that our policy is out of line with that of the League, and put ourselves in the position of starting a general movement in a direction exactly opposite to that in which we have traditionally led the world. If we did this without making an announcement, we would produce all sorts of misunderstanding and confusion. If we did it by and with an announcement, our announcement would be tantamount to a declaration that, so far as we are concerned, Japan may do as she pleases in and with regard to China. If we did that, we might please Japan, but we would disappoint Russia, fill several other nations with disgust, utterly alienate China, and deprive ourselves of any effective influence as champions of the principle of cooperation among the powers in pursuit of policies based on principle and directed toward reliance on law and on treaties and on concepts of international morality as distinguished from those of mere self-interest and casual expediency. It may be well for us to indulge in some publicity with regard to the true character of the so-called "open door" policy; but give up the policy which, in reference to China, is so designated, we cannot. We can be slow to initiate contention with regard to the "open door"; but, noting that the British Government does not hesitate to object to violations of the principle of non-discrimination we should be at least as firm as is that Government with regard to that principle.

2. "Non-recognition" doctrine.

The position taken by the previous Administration in 1932 and thus far adhered to by this Administration in regard to developments in Manchuria is one in which we should persevere. The "non-recognition" notes of January 7, 1932, were sent before the political entity now called "Manchukuo" came into existence. The history of the "non-recognition" doctrine is well known: this Government had made use of the "non-recognition" formula in 1915 and in 1921; we used it again in 1932; the League adopted it in 1932; it has since been used by us and by Latin American states in new political contexts. A year ago the Secretary of State was constrained, in reply to inquiries formulated by press correspondents, to say that the question of recognizing "Manchukuo" was not under consideration by this Government and that our position with regard to the principle of "non-recognition" was in no way changed. Since that time nothing has occurred in the light of which we need to consider or to reconsider this question. The British Government has indicated recently that it continues to be its intention to abide by the resolution of the League. Were we in no way whatever committed by previous statements and practice, it would still be a fact that diplomatic recognition by us (or by any other state) of a political entity such as "Manchukuo" is today would be unwarranted
and

and could in no way bring great advantage to the recognizing state. (NOTE: "Manchukuo" is today in military occupation by the Japanese Army; it is controlled by the Japanese Ambassador accredited to it -- who is at the same time both Commander in Chief of the Japanese Army forces present (between 50,000 and 100,000 men) and Governor of the Japanese-administered areas in Manchuria -- together with the seventeen hundred Japanese advisers who direct the activities of the Chinese officials at Hsinking.) Therefore, the thing for us to do about the "non-recognition policy" is to do nothing about it: we should refrain from initiating new statements with regard to it but should persevere in the stand-pat position which is its essence.

3. Relations with China.

It may reasonably be doubted whether we need expect in the near future much trouble in relations of a political character between this country and China. The nationalist exuberance of the Chinese which attended and ensued upon the Kuomintang conquest of the country, in 1926-1928, has undergone substantial modification. The Chinese have come to a realization that there are other matters to which they need to devote their thought and attention more urgently than to the question of getting rid of the so-called "unequal treaties". The Nanking Government is more and more directing its energies to constructive efforts in the domestic field, to meeting the "Communist" menace within China's own borders, and to safeguarding its own position against pressure from Japan. It seeks to be on as good terms as possible with the United States and Great Britain.

To one question, however, in its relations with China, the American Government should give immediate and most thoughtful and sympathetic consideration: the question of silver. The present silver purchasing program of the American Government, under Act of Congress, is not consistent with the principle -- insofar as China is concerned -- of the "good neighbor policy". Our action in regard to silver is doing great and immediate injury to China and may produce an economic cataclysm in that country. That in turn might have very unfortunate political consequences. Our course in this connection should be altered.

4. Philippine Islands.

In the shaping of our course and the choosing of our steps, it is of course necessary that we make certain assumptions with regard to the future of the Philippine Islands. It is necessary that we assume that the provisions of the Act of March 24, 1934, "to provide for the complete independence of the Philippine Islands et cetera" will be carried out. However, we should not assume that those provisions have been carried out and we should not fail to take into account the fact that many things, even to amendment or repeal of the Act, may occur before the date of intended conferring upon the Philippines of "independence" shall have arrived. Some at least of our plans wherein items of long swing are involved and wherein the status of the Philippines is a factor must be tentative and must be formulated with a feature of adequate elasticity.

In regard further to the Philippines, it is believed that we should for the time being at least refrain from proposing or being receptive to the suggestion of a neutralization agreement. The future of the Philippines is still a very uncertain matter. A neutralization agreement, if entered into, would unquestionably have certain advantages; but it would with equal certainty have, for this country, certain definite disadvantages. The matter of
concluding

concluding or not concluding such an agreement is not urgent. If and when in the natural course of events it comes up, we will have ample time to consider it and we should take all the time that may be needed to give it consideration from every angle.

5. Japanese Immigration Question.

The question of amending that provision of the Immigration Act of 1924 the effect of which is "Japanese exclusion" is always more or less before the American people.

The present Japanese Ambassador here mentions this question, and various Americans urge action with regard to it, from time to time.

We know that the Japanese Government has in recent years definitely taken the position that it will not formally raise the issue but will leave it to the people and Government of the United States to take steps, when and as we may, toward removing from our laws this feature of "discrimination".

The present Administration has, wisely, taken the position that this question is one which falls primarily within the legislative field. It has declined to be drawn into controversy or to become involved in any commitment with regard to the matter. Alteration of the law so as to remove the discriminatory feature would upon its intrinsic merits be a helpful measure. But, if the raising of the question resulted in acrimonious discussion in Congress, and if, after alteration of the law, there ensued a recrudescence of anti-Japanese feeling in those parts of the United States where the Japanese reside in considerable numbers, or if, after debate, the law were

not

not amended, we would be worse off in relation to the whole matter than we are now.

When the question was before Congress in 1924 the executive branch of the Government got itself gratuitously into trouble by injecting itself into the matter. While it is probable that, if the President asked the present Congress to change the law, the Congress would do so, it nevertheless is believed that the result would be an acrimonious discussion before the matter was voted upon and, after the altering of the law, a new and vehement outcry, in an anti-Japanese sense, on the part of a considerable number of people on the Pacific Coast, with the secondary result that there would be danger of acts of violence in consequence of which there would arise new issues between this Government and the Japanese Government.

It is believed that removal in that manner of this "discrimination" against the Japanese, although it would give Japan a certain amount of psychological satisfaction, and although it would eliminate one of the talking points in the arsenal of argumentative weapons with which the Japanese attack the United States, yet would contribute little if anything toward the solving of the major issues, that is, issues which arise out of and rest upon differences in political and economic concepts and objectives, between the two countries.

It therefore is believed that the Administration should continue as hitherto to avoid becoming involved in this question.

6. "Gestures".

It is believed that we should avoid the making of "gestures", whether of special friendliness or of menace. We should not go out of our way toward expressing mere "good will" either to China or to Japan. We should be neither more cordial nor less cordial toward either of these countries than we are toward other countries. At the same time, we should avoid undue parading of our naval strength and undue discussion of the problem of maintaining peace and of avoiding war in the Far East. We should unquestionably have a "big stick"; but we do not need to wave it or to talk about it, and we should refrain from doing the one and should be careful in our use of words in doing the other.

7. Cooperation with Great Britain.

We should cultivate in relation to problems of the Far East conditions of close harmony and the maximum of practical cooperation between ourselves and Great Britain. Toward doing this, we should go out of our way to inform the British Government of our views, to consult them with regard to theirs, to give them notice of our intentions, et cetera, et cetera, in regard to matters where there is involved a community, a parity or a similarity of interest. We should, in dealing with them, coordinate our moves and methods with regard to Far Eastern matters with our moves and methods in regard to other matters. We should try to cultivate an impression on their part that they lead and we follow. We should avoid dissenting from or rejecting their suggestions when their views and ours differ by but a small margin and at points which are not of great importance. When and where there are large issues, we should make clear to them just what is our position and that we will not move or be moved from it, thus avoiding long and futile discussions and misunderstanding and disappointment arising out of unwarranted expectations or vain hopes.

Russians, causing them to expect more in the way of support from us, in the event of their getting into difficulty with Japan, than would be warranted. We should keep in mind the fact that in the Soviet Union a war between Japan and the United States would probably be looked upon with gratification.

8. Cooperation with the Soviet Union.

We should find it possible to cooperate on commercial and economic lines with the Soviet Union with consequences directly advantageous to us not only in those lines but indirectly in the political field as regards our problems in the Far East. Increments of economic strength by the Soviet Union will tend to divert the attention of Japan and to discourage reckless adventuring on Japan's part. It would probably be to our advantage to reach with the Soviet Union a settlement of claims on as favorable a basis as may be possible and to encourage trade between the two countries. We should be cautious, however, about any movement toward the developing of political bonds or appearance of diplomatic rapprochement between ourselves and the Soviet Government. Developments of those types would give us nothing upon which we could definitely rely and would, on the other hand, increase suspicion among the Japanese of our intentions with regard to the Far East, thereby injecting a new cause of irritation into our relations with Japan; and they might also be misleading to the Russians, causing them to expect more in the way of support from us, in the event of their getting into difficulty with Japan, than would be warranted. We should keep in mind the fact that to the Soviet Union a war between Japan and the United States would probably be looked upon with gratification,

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on the theory that these two combatants would weaken each other and thus relieve the Soviet Union of its fear of Japan and at the same time of its reason for apprehension of the influence of the leading capitalist state, the United States.

9. Cooperation with Japan.

We should seek opportunities to cooperate with Japan in fields where the Japanese understand or can be really convinced that cooperation will be to their advantage as well as to ours. To do this, we must take full account of the conditions in and around Japan and of the needs and problems which confront the Japanese Government and people.

Japan's population problem has assumed serious proportions and aspects. It is obvious that Japan either must have access to enlarged markets for her goods and must further develop an industrialized economy or must starve. The inherent virility and vitality of the Japanese people preclude any expectation that they will passively accept the latter alternative. Nor will these same qualities, stimulated by the present wave of intense nationalism, permit the Japanese people to accept arbitrary blocking of pathways to what they consider their "destiny" in world affairs. The Japanese are convinced that the years 1935 and 1936 are "emergency" years, and the tenseness of their feelings, if aggravated by ill-advised opposition, might easily carry them over the breakwater of reason into a war regardless of prospects of success.

It would seem, therefore, that we should avoid consistently any suggestion of seeking to suppress or to

coerce

coerce Japan. At the same time we should let it be clearly understood that in matters where our views in regard to important principles are in conflict with those of Japan we cannot give consent or assent to the courses which they seek to pursue. The Japanese are at heart realists who can appreciate straightforwardness and tenacity. While avoiding any attempts at pressure which we are not thoroughly prepared to maintain or to carry through, we should nevertheless bear in mind that a military people are most impressed by military strength, and that the most effective preventive of a resort to force by a people so minded is the presence of greater force at the disposal of those to whom they are in opposition.

10. Naval Strength.

We should speed our efforts toward possessing a navy so strong that no other country will think seriously of attacking us; and we should let it be clearly seen that, while not wanting to fight and having no reason for attacking any other country, the people of this country not only are not "too proud to fight" but, given certain situations, would be too proud not to fight.

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AD July '54



THE SECRETARY OF STATE
WASHINGTON

January 22, 1935.

Dear Mr. President:

I am sending you here attached: a copy of a despatch just received from Ambassador Grew on the subject: "The Importance of American Naval Preparedness in connection with the Situation in the Far East"; a digest thereof; and a copy of a memorandum prepared recently in the Department, entitled "Relations between the United States and Countries of the Far East -- Especially Japan -- in 1935".

The views expressed by Mr. Grew with regard to the present situation and the importance of American naval preparedness are absolutely in accord with views which have been expressed to me from time to time by my assistants who are concerned with those questions here in the Department. With their deductions and conclusions and those of Mr. Grew, I am absolutely in accord. In the memorandum on "Relations in 1935", there are given suggestions with regard to the line of procedure which this Government might to advantage follow, both
in

The President,

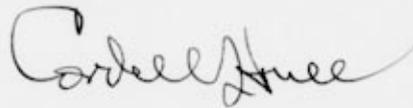
The White House.

*J - Paul
Japan
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in general and with regard to particular questions, during the period immediately ahead of us. Copies of this have been shown to Norman Davis and William Bullitt, and they have both expressed general concurrence.

I think that you will wish to look through all of this, and at some time in the near future I should like to discuss with you ways and means for bringing these matters discreetly and in confidence to the attention of certain Members of the Congress.

Faithfully yours,

A handwritten signature in cursive script, appearing to read "Cordell Hull".

Enclosures:
Copy of despatch and
a digest thereof;
Copy of memorandum.

State Dept. copy

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1935, Vol. III, pages 821-829

Also in Grew: Ten Years in Japan pp. 145-152.

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Japan (3) (27)

Tokyo, December 27, 1934.

No. 1102.

SUBJECT: The Importance of American Naval Preparedness
in Connection with the Situation in the Far
East. Summary of the Situation.

General for the Secretary and the Under Secretary.

The Honorable
The Secretary of State,
Washington.

S i r :

Now that the London Naval Conversations have terminated, I should like to convey to the Department various thoughts in this general connection to which the Department may desire to give consideration if and when the conversations are renewed or a naval conference convoked. I shall be contributing little that is new, for most of the facts and opinions set forth herein have already been

brought

brought to the Department's attention in previous reports. Furthermore the attitude, policy and action of our delegation in London, as directed by the Government and as revealed in the various summaries of developments telegraphed to this Embassy on October 25 and 31, November 22 and December 10, and in certain press reports, have indicated a sound comprehension of the situation in the Far East as it exists today. The firm stand of our Government and delegation to maintain the present naval ratios intact in the face of Japanese intransigence, as well as their decision that the action of the Japanese Government in denouncing the Washington Naval Treaty automatically created a new situation in which the conversations must be suspended sine die, leaving the Japanese to return home empty handed, were especially gratifying to those of us who have watched the developments in London from this angle. The purpose of this despatch is therefore mainly to summarize and to place my views in concise form on record for the future.

The thought which is uppermost in my mind is that the United States is faced, and will be faced in future, with two main alternatives. One is to be prepared to withdraw from the Far East, gracefully and gradually perhaps, but not the less effectively in the long run, permitting our treaty rights to be nullified, the Open Door to be closed, our vested economic interests to be dissolved and our commerce to operate unprotected. There are those who advocate this course, and who have advocated it to me personally, on the ground that any

other

other policy will entail the risk of eventual war with Japan. Frank Simonds has emphasized that risk as almost a certainty. In their opinion, "the game is not worth the candle" because the United States can continue to subsist comfortably even after relinquishing its varied interests in the Far East, thereby eliminating the risk of future war.

The other main alternative is to insist, and to continue to insist, not aggressively yet not the less firmly, on the maintenance of our legitimate rights and interests in this part of the world and, so far as practicable, to support the normal development of those interests constructively and progressively.

There has already been abundant indication that the present Administration in Washington proposes to follow the second of these alternatives. For purposes of discussion we may therefore, I assume, discard the hypothesis of withdrawal and examine the future outlook with the assurance that our Government has not the slightest intention of relinquishing the legitimate rights, vested interests, non-discriminatory privileges for equal opportunity and healthful commercial development of the United States in the Far East.

In following this second and logical course, there should be and need be nothing inconsistent, so far as our own attitude is concerned, with the policy of the good neighbor. The determination to support and protect our legitimate interests in the Far East can and should be carried out in a way which, while sacrificing no point of principle, will aim to restrict to a
minimum

minimum the friction between the United States and Japan inevitably arising from time to time as a result of that determination.

The administration of that policy from day to day becomes a matter of diplomacy, sometimes delicate, always important, for much depends on the method and manner of approach to the various problems with which we have been, are, and will continue to be faced. With the ultra-sensitiveness of the Japanese, arising out of a marked inferiority complex which manifests itself in the garb of an equally marked superiority complex, with all its attendant bluster, chauvinism, xenophobia and organized national propaganda, the method and manner of dealing with current controversies assume a significance and importance often out of all proportion to the nature of the controversy. That the Department fully appreciates this fact has been amply demonstrated by the instructions issued to this Embassy since the present Administration took office, and it has been our endeavor to carry out those instructions, or to act on our own initiative when such action was called for, with the foregoing considerations constantly in view.

But behind our day to day diplomacy lies a factor of prime importance, namely national support, demonstrated and reinforced by national preparedness. I believe that a fundamental element of that preparedness should be the maintenance of the present naval ratios in principle and the eventual achievement and maintenance of those ratios, so far as they apply to Japan, in fact. With

such

such a background, and only with such a background, can we pursue our diplomacy with any confidence that our representations will be listened to or that they will lead to favorable results. General Douglas MacArthur, Chief of Staff of the United States Army, was recently reported in the press as saying: "Armies and navies, in being efficient, give weight to the peaceful words of statesmen, but a feverish effort to create them when once a crisis is imminent simply provokes attack". We need thorough preparedness not in the interests of war but of peace.

It is difficult for those who do not live in Japan to appraise the present temper of the country. An American Senator, according to reports, has recently recommended that we should accord parity to Japan in order to avoid future war. Whatever the Senator's views may be concerning the general policy that we should follow in the Far East, he probably does not realize what harm that sort of public statement does in strengthening the Japanese stand and in reinforcing the aggressive ambitions of the expansionists. The Japanese press of course picks out such statements by prominent Americans and publishes them far and wide, thus confirming the general belief in Japan that the pacifist element in the United States is preponderantly strong and in the last analysis will control the policy and action of our Government. Under such circumstances there is a general tendency to characterize our diplomatic representations as bluff and to believe that they can safely be disregarded without fear of implementation.

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It would be helpful if those who share the Senator's views could hear and read some of the things that are constantly being said and written in Japan, to the effect that Japan's destiny is to subjugate and rule the world (sic), and could realize the expansionist ambitions which lie not far from the surface in the minds of certain elements in the Army and Navy, the patriotic societies and the intense nationalists throughout the country. Their aim is to obtain trade control and eventually predominant political influence in China, the Philippines, the Straits Settlements, Siam and the Dutch East Indies, the Maritime Provinces and Vladivostok, one step at a time, as in Korea and Manchuria, pausing intermittently to consolidate and then continuing as soon as the intervening obstacles can be overcome by diplomacy or force. With such dreams of empire cherished by many, and with an army and navy capable of taking the bit in their own teeth and running away with it regardless of the restraining influence of the saner heads of the Government in Tokyo (a risk which unquestionably exists and of which we have already had ample evidence in the Manchurian affair), we would be reprehensibly complacent if we were to trust to the security of treaty restraints or international comity to safeguard our own interests or, indeed, our own property.

I may refer here to my despatch No. 608 of December 12, 1933, a re-reading of which is respectfully invited because it applies directly to the present situation.

That

That despatch reported a confidential conversation with the Netherlands Minister, General Fabst, a shrewd and rational colleague with long experience in Japan, in which the Minister said that in his opinion the Japanese Navy, imbued as it is with patriotic and chauvinistic fervor and with a desire to emulate the deeds of the Army in order not to lose caste with the public, would be perfectly capable of descending upon and occupying Guam at a moment of crisis or, indeed, at any other moment, regardless of the ulterior consequences. I do not think that such an insane step is likely, yet the action of the Army in Manchuria, judged from the point of view of treaty rights and international comity, might also have been judged as insensate. / The important fact is that under present circumstances, and indeed under circumstances which may continue in future (although the pendulum of chauvinism throughout Japanese history has swung to and fro in periodic cycles of intensity and temporary relaxation) the armed forces of the country are perfectly capable of over-riding the restraining control of the Government and of committing what might well amount to national "hara-kiri" in a mistaken conception of patriotism.

When Japanese speak of Japan's being the "stabilizing factor" and the "guardian of peace" of East Asia, what they have in mind is a Pax Japonica with eventual complete commercial control, and, in the minds of some, eventual complete political control of East Asia.

While Ambassador Saito may have been misquoted in a

recent

recent issue of the Philadelphia Bulletin as saying that Japan will be prepared to fight to maintain that conception of peace, nevertheless that is precisely what is in the minds of many Japanese today. There is a swashbuckling temper in the country, largely developed by military propaganda, which can lead Japan during the next few years, or in the next few generations, to any extremes unless the saner minds in the Government prove able to cope with it and to restrain the country from national suicide.

The efficacy of such restraint is always problematical. Plots against the Government are constantly being hatched. We hear, for instance, that a number of young officers of the 3rd Infantry Regiment and students from the Military Academy in Tokyo were found on November 22 to have planned to assassinate various high members of the Government, including Count Makino, and that students of the Military Academy were confined to the school area for a few days after the discovery of that plot, which had for its object the placing in effect at once of the provisions of the now celebrated "Army pamphlet" (see despatch No. 1031 of November 1, 1934). A similar alleged plot to attack the politicians at the opening of the extraordinary session of the Diet - another May 15th incident - is also said to have been discovered and nipped in the bud. Such plots aim to form a military dictatorship. It is of course impossible to substantiate these rumors, but they are much talked about and it is unlikely that so much smoke would materialize without some fire. I wish that more

Americans

Americans could come out here and live here and gradually come to sense the real potential risks and dangers of the situation instead of speaking and writing academically on a subject which they know nothing whatsoever about, thereby contributing ammunition to the Japanese military and extremists who are stronger than they have been for many a day. The idea that a great body of liberal thought lying just beneath the surface since 1931 would be sufficiently strong to emerge and assume control with a little foreign encouragement is thoroughly mistaken. The liberal thought is there, but it is inarticulate and largely impotent, and in all probability will remain so for some time to come.

At this point I should like to make the following observation. From reading this despatch, and perhaps from other reports periodically submitted by the Embassy, one might readily get the impression that we are developing something of an "anti-Japanese" complex. This is not the case. One can dislike and disagree with certain members of a family without necessarily feeling hostility to the family itself. For me there are no finer people in the world than the type of Japanese exemplified by such men as Count Makino, Admiral Saito, Count Kabayama, Yoshida, Shidehara and a host of others. I am rather inclined to place Hirota in the same general category; if he could have his way unhampered by the military I believe that he would steer the country into safer and saner channels. One of these friends once sadly remarked to us: "We Japanese are always putting our
worst

worst foot foremost, and we are too proud to explain ourselves." This is profoundly true. There has been and is a "bungling diplomacy". They habitually play their cards badly. Aso's statement of April 17 was a case in point. The declaration of the oil monopoly in Manchuria at this particular juncture, thereby tending to drive Great Britain into the other camp at a moment when closer Anglo-Japanese cooperation was very much in view, was another. While it is true that the military and the extremists are primarily responsible for the "bungling diplomacy" of Japan, the Japanese as a race tend to be inarticulate, more at home in action than with words. The recent negotiations in Batavia amply illustrated the fact that Japanese diplomats, well removed from home influences and at liberty to choose their own method and manner of approach, are peculiarly insensitive to the unhappy effects of arbitrary pronouncements. They have learned little from the sad experience of Manihara. But the military and the extremists know little and care little about Japan's relations with other countries, and it is the desire of people like Shiratori, Aso and other Government officials to enhance their own prestige at home and to safeguard their future careers by standing in well with the military that brings about much of the trouble. Perhaps we should be grateful that they so often give their hand away in advance.

But all this does not make us less sympathetic to the better elements in Japanese life or in any sense "anti-Japanese". Japan is a country of paradoxes and extremes,

extremes, of great wisdom and of great stupidity, an apt illustration of which may be found in connection with the naval conversations; while the naval authorities and the press have been stoutly maintaining that Japan cannot adequately defend her shores with less than parity, the press and the public, in articles, speeches and interviews, have at the same time been valiantly boasting that the Japanese Navy is today stronger than the American Navy and could easily defeat us in case of war. In such an atmosphere it is difficult, very difficult, for a foreigner to keep a detached and balanced point of view. We in the Embassy are making that effort, I hope with success, and in the meantime about all we can do is to keep the boat from rocking dangerously. Constructive work is at present impossible. Our efforts are concentrated on the thwarting of destructive influences.

Having placed the foregoing considerations on record, I have less hesitation in reiterating and emphasizing with all conviction the potential dangers of the situation and the prime importance of American national preparedness to meet it. As a nation we have taken the lead in international efforts towards the restriction and reduction of armaments. We have had hopes that the movement would be progressive, but the condition of world affairs as they have developed during the past twelve years since the Washington Conference has not afforded fruitful ground for such progress. Unless we are prepared to subscribe to a "Pax Japonica" in the Far East, with all that this movement, as conceived and interpreted by Japan, is bound to

to entail, we should rapidly build up our navy to treaty strength, and if and when the Washington Naval Treaty expires we should continue to maintain the present ratio with Japan regardless of cost, a peace-time insurance both to cover and to reduce the risk of war. In the meantime every proper step should be taken to avoid or to offset the belligerent utterances of jingoes no less than the defeatist statements of pacifists in the United States, many of which find their way into the Japanese press, because the utterances of the former tend to enflame public sentiment against our country, while the statements of the latter convey an impression of American weakness, irresolution and bluff.

My own opinion, although it can be but guesswork, is that Japan will under no circumstances invite a race in naval armaments, and that having found our position on the ratios to be adamant, further propositions will be forthcoming within the next two years before the Washington Treaty expires, or before our present building program is fully completed. When the United States has actually completed its naval building program to treaty limits, then, it is believed, and probably not before then, Japan will realize that we are in earnest and will seek a compromise. We believe that Japan's naval policy has been formulated on the premise that the United States would never build up to treaty strength, a premise which has been strengthened in the past by the naval policy of the past two Administrations, by the apparent strength of the pacifist element in the United States, and more recently

recently by the effects of the depression.

While it is true that Japan, by sedulously forming and stimulating public opinion to demand parity with the United States in principle if not in fact, has burned her bridges behind her, nevertheless the Japanese leaders are past-masters at remoulding public opinion in the country by skillful propaganda to suit new conditions. Once convinced that parity is impossible, it is difficult to believe that she will allow matters to come to a point where competitive building becomes unavoidable. With a national budget for 1935-1936 totalling 2,193,414,289 yen, of which about 47% is for the Army and Navy, and with an estimated national debt in 1936 of 9,880,000,000 yen, nearly equal to the Cabinet Bureau of Statistics estimate of the national income for 1930, namely 10,635,000,000 yen; with her vast outlay in Manchuria, her already heavily taxed population and the crying need of large sections of her people for relief funds, it is difficult to see how Japan could afford to embark upon a program of maintaining naval parity with the United States and Great Britain.

Having registered our position firmly and unequivocally, we can now afford to await the next move on the part of Japan. I believe that it will come.

So far as we can evaluate here the proceedings of the recent preliminary naval conversations in London, I am of the opinion that the most important and the most valuable result issuing therefrom has been the apparent tendency towards closer Anglo-American cooperation in

the

the Far East. If we can count in future - again as a direct result of Japan's "bungling diplomacy" - on a solid and united front between the United States and Great Britain in meeting Japan's flaunting of treaty rights and her unrestrained ambitions to control East Asia, the future may well assume a brighter aspect for all of us.

Theodore Roosevelt enunciated the policy "speak softly but carry a big stick". If our diplomacy in the Far East is to achieve favorable results, and if we are to reduce the risk of an eventual war with Japan to a minimum, that is the only way to proceed. Such a war may be unthinkable, and so it is, but the spectre of it is always present and will be present for some time to come. It would be criminally short-sighted to discard it from our calculations, and the best possible way to avoid it is to be adequately prepared, for preparedness is a cold fact which even the chauvinists, the military, the patriots and the ultra-nationalists in Japan, for all their bluster concerning "provocative measures" in the United States, can grasp and understand. The Soviet Ambassador recently told me that a prominent Japanese had said to him that the most important factor in avoiding a Japanese attack on the Maritime Provinces was the intensive Soviet military preparations in Siberia and Vladivostok. I believe this to be true, and again, and yet again, I urge that our own country be adequately prepared to meet all eventualities in the Far East.

The Counselor, the Naval Attaché and the Military Attaché of this Embassy, having separately read this

despatch

despatch, have expressed to me their full concurrence
with its contents both in essence and detail.

Respectfully yours,

Joseph C. Grew.

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JCG:1

A true copy of
the signed original.
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COPY

Tokyo, February 6, 1935.

No. 1156.

Subject: Urge toward Expansion in Japan.

~~Confidential~~

The Honorable
The Secretary of State,
Washington.

S i r:

Recent despatches from this Embassy, notably numbers 1079, 1102 and 1116, have discussed the present-day chauvinism in Japan, have outlined the situation arising out of the naval problem, and have considered American prestige in relation to our interests in the Far East.

The general conclusion drawn is that there exists in Japan today a definite urge toward economic and political expansion in East Asia and, as a corollary, a growing pressure against the interests of western nations, including the

interests

interests of the United States, in this part of the world.

These despatches, logically, have examined the situation and the future outlook chiefly from the objective or foreign point of view rather than through the eyes of the Japanese themselves. But as there are two sides to every problem, it will perhaps help to focus the picture and to give a proper balance to our judgment if we try for a moment to put ourselves in their place and to visualize the outlook as they, the Japanese, see it.

Psychologically, the Japanese resent being considered on a different footing from other nations. They believe they occupy a position which entitles them to the same consideration in the Far East that the British and French claim in the affairs of Europe or even the United States in the Western Hemisphere, and they intend to assert and maintain this position with all the strength at their command.

In addition, or perhaps at the back of this attitude, is the expansionist urge due to the economic problem involved in the struggle for existence, the normal tendency and striving to achieve a higher standard of living and the acute competition inevitably arising therefrom. To a certain extent the Japanese are a revolutionary force in the Far East. They feel that the Western Powers have exploited China with little benefit to the Chinese; that there must be an end to this activity and that Japan is called to act. Besides, the Japanese believe that it will be profitable. With a larger sphere of activity Japanese industry and commerce will expand further and remove the spectre of

restricted

restricted markets from their eyes. If this has to be done at others' expense it cannot be helped. There is in the Japanese attitude something of the "manifest destiny" idea, or the point of view expressed by Kipling in his poems of the British Empire.

It therefore behooves us to examine this expansionist urge in Japan as the reasonable and logical operation of well-nigh irrepressible forces based on the underlying principle of self preservation. We are apt to stress the military aspects of Japanese activity without carefully considering the driving impulse of the whole nation. If, from an examination of concrete evidence, we become convinced that Japan is faced with a national problem of the utmost gravity brought about primarily by natural developments, and that military covetousness is only one phase or expression of it, and if we furthermore become convinced that failing certain outlets which will act as safety valves, some sort of explosion or series of explosions along the lines of the Manchurian affair must inevitably occur, we may pause to consider the wisdom of basing our own policy toward Japan on two concurrent principles: (1) national preparedness for the purpose of protecting our legitimate interests in the Far East, and at the same time (2) a sympathetic, cooperative and helpful attitude toward Japan, based on larger considerations reaching into the future.

Four distinct factors in this connection should be given consideration:

(1)

- (1) Overpopulation.
- (2) Lack of natural resources.
- (3) Industrialization.
- (4) The rising standard of living.

We may consider these economic factors seriatim before drawing conclusions:

Overpopulation.

According to the last official census of Japan Proper, taken in 1930, the population at that time was 64,450,005, an increase of 4,713,183 over the population at the time of the previous census (1925). The increase was therefore at the average rate of 842,836 or about 1.5 per cent per annum. The rate of increase does not show a decelerating tendency; in fact it has risen steadily from around .5 per cent per annum in the decade 1870-1880, to its present 1.5 per cent. The birthrate in Japan Proper in 1930 was 32.4 per thousand of the population, as compared with 18.1 in France, 17.5 in Germany and 16.8 in Great Britain. The density of population in Japan Proper in 1925 was 404 per square mile; by 1930 it had risen to 437 per square mile. This does not seem to be an excessive density when compared with the 678 per square mile in Belgium, 561 in Holland and 468 in the United Kingdom, but it should be remembered that whereas the land in Belgium, Holland and the United Kingdom is practically all arable or at least fit for human occupation, only about fifteen per cent of the area

of

of Japan Proper is arable and little of the remainder is fit for anything but forests. The Japanese density of population can be better understood when compared with that of countries or States of the United States with somewhat similar mountainous characteristics. Thus Switzerland has a density of population of 251 per square mile, Norway 21, Sweden 35, California 22, Oregon 8, Washington 20 and Vermont 38.

There is no indication at present that the Japanese will be willing to accept birth control as a remedy for their excessive rate of population increase. At the same time, being an ambitious, active and progressive people, they are not willing to accept the lower standard of living which would normally accompany an increase in population without a corresponding increase in resources. A pressing need therefore exists to find work and livings - economic opportunity - for nearly a million persons each year. During the next generation, even if the population could be caused to stop increasing now, additional livings must be found for some twenty millions already born and now growing up. This is the basic urge behind the expansionist activities of the Japanese people, as it is an urge which cannot be satisfied by emigration (the emigration of Japanese labor is meeting obstacles throughout the world), nor by further development of the natural resources of Japan (a subject which is discussed in the following section), nor by colonization, as colonization in the surrounding territories in the Far East has been defeated by the lower standards of living of the peoples of those territories. Industrialization of the country has partly supplied the need for economic opportunity, but industrialization presupposes the existence of

definite

definite markets and thereby leads to territorial expansion in one form or another, as is described in a later section of this despatch.

Natural resources of Japan.

The assertion is often made that Japan is poor in natural resources. This assertion is subject to many qualifications. The country has not sufficient resources of its own to provide over an extended period for an expanding population with a rising standard of living and a determination to play an ever increasing part in world economic development. It has, however, resources of no mean importance, which can take care of most of the immediate needs of the people and which form a reservoir of strength that is frequently not appreciated by outside observers. The nation must reach out into the world for many raw materials to feed its expanding industry, and to provide opportunity for development to a restless and ambitious population; it must go into the outside world to find markets for the sale of many of its products if it is to continue its progress, but it is a mistake to regard Japan as weak and without native resources of value.

At the moment, Japan is able to feed itself, so long as the people are willing to keep their diet within the traditional simple fare of their ancestors: rice and barley, fish, vegetables and a relish, with tea and perhaps sake to complete the meal. This has been accomplished by increasing the productiveness of farms through better fertilizing and

more

more effective irrigation methods. This increase cannot, of course, continue indefinitely, as marginal lands are already being used, but for the time being, Japan is not in need of imports to feed the population of the country.

One agricultural commodity, raw silk, is exported in large quantities. Its production is a subsidiary occupation of approximately two million farming families, and its reeling gives occupation to several hundred thousand people during the reeling season. This rural industry is the farmer's cash crop over a large part of central Japan.

Animal husbandry is making headway, especially in Hokkaido, and domestic made dairy products are more and more available in the markets. This branch of agriculture is developing slowly, as the area available for suitable pasturage is limited, due to the poor quality of the grass. The soil of Japan is largely friable and acid in character, making poor pasture grass.

Fruit in many varieties is available at moderate prices. Oranges are plentiful enough to be exported.

While restricted, from the American point of view, Japanese agriculture is in most respects in a healthy condition, is able to feed the country, and is branching out into new fields. This is contrary to much that has been stated in regard to Japanese agriculture, but it seems to be the fact. Certain phases of Japanese rural life will be discussed later.

About one half of the area of Japan is classed as forest. Much of the forest is in mountainous regions so remote from population centers that builders find it cheaper,

under

under normal commercial conditions, to import pine and cedar for building purposes. The imports of timber during the past few years have varied from about two-thirds to nine-tenths of the domestic production. There is also some export of timber, amounting on the average to perhaps one-seventh of the domestic production. It seems probable that Japan could, in case of necessity, house its population and provide such wooden utensils as are needed from its own production. Forestry is well developed. A good deal of pulp is imported for paper and rayon making, but the domestic paper pulp production usually far exceeds the amount imported.

Japan is poor in mineral resources. There is enough coal produced for domestic consumption. Other minerals are not available in any quantity, aside from copper, of which there are some relatively large deposits.

There is abundant water power in Japan, although the irregularity in the flow of streams, and the porous nature of much of the rock formation in the country have impeded its development to some extent. However, Japan can keep its factories operating, so far as motive power is concerned, from its own resources, taking both coal and water power into account.

Japan, however, has none or very little of the other products which enter into international commerce today. It is a country of relatively limited natural resources which are being utilized very nearly to the full. It must import raw materials for textiles other than silk and the bulk of the raw materials which enter into general manufacture

on a large scale. It is driven by its growing needs into the field of international trade on a larger and larger scale.

Industrialization.

Japan has only recently demonstrated in a manner to bring consternation to Western industrialists its ability to compete successfully with the most advanced nations in all lines of economic endeavor, but as a matter of fact the process of preparation for greater economic power has been under way in Japan for many years. The far-sighted statesmen of the Meiji Era realized that, if Japan hoped to become a world power, the country must develop its industrial and commercial resources - must sell its labor to pay for needed materials and must be able to manufacture within the country equipment and supplies for military use. Industrialization was first attempted along lines deemed necessary by the military, but it gradually passed beyond this stage and became a permanent and important factor in the life of the nation. The people proved themselves to have great organizing capacity, unusual manual dexterity and sufficient mechanical ability to operate industrial machinery. The World War, due to the concentration of the industrial nations of the West on supplying the vast armies engaged in the war, gave Japanese industries a tremendous impetus, and Japanese goods produced by mass-production methods began to appear in great quantities in the world's markets. Since December, 1931,

to

to the natural Japanese economic advantages of excellent organizing capacity, cheap, dextrous labor, and geographical proximity to large markets, has been added the advantage of depreciated currency, with the result that Japanese goods are offered at prices which have demoralized the world's markets and have brought panic to the industrialists of the West. At the same time Japanese ships are capturing a considerable share of the carrying trade of the world and Japanese capital is reaching out, particularly in the Far East, for new opportunities.

The Japanese feel that their tremendous progress in manufacturing goods for export is not due to a series of fortuitous circumstances but to hard work, technical progress and intelligent planning, and therefore they are inclined to resent the obstacles which are arising throughout the world to their commerce. They are proud of their ability to manufacture good merchandise at low prices. They ascribe, as the principal reasons for their success in meeting the industrial competition of the world, their low labor costs, their technical skill, their low capital charges, their efficient management, their depreciated yen, and, above all, their determination and enthusiasm.

The low Japanese labor costs, they point out, do not constitute a new phenomenon. Low labor cost is a continuing factor, due to the cheaper - not lower - methods of living of the Japanese people, to their patience and to their manual skill. Even, therefore, before and after the depreciation of the yen, their labor costs were and will be much below those of Western countries. The Japanese are proud of their technical progress. They point with pride to the immense

efficiency

efficiency of their spinning and weaving mills, their rayon factories, their steamship lines, their electrical plants and their railways. They feel that their progress in technical ability is well-earned and should not be resented by other industrial nations.

Likewise they attribute their low capital and other overhead charges to intelligent planning and efficient management. But they also attribute much of their success to the national determination and enthusiasm. From the highest to the lowest, the people are united in an almost fanatical zeal for the promotion of their nation's power in the world, commercial as well as military and political. It is impossible to say how much this factor contributes to the production efficiency of the Japanese people, but it undoubtedly is an important factor.

Thus the Japanese view their industrial and commercial success as something which they have earned through their own hard work, intelligence and national determination. It would be difficult to deny the truth of this thesis, although the Japanese perhaps do not give sufficient credit to the adventitious aid of their depreciated yen exchange and rarely, if ever, mention another very important factor, namely, the docility and compliance with regimentation of their labor supply.

Industrialization, however, cannot be economically successful unless adequate markets for the products of industrialization are available. And the Japanese industrialists are finding their expansion meeting with opposition in many countries,

countries, especially in regions such as British India and the Netherlands Indies, which have been considered in the past by Western industrial nations as constituting more or less exclusive markets for their own products. In addition to definite barriers to further expansion of their overseas trade, the Japanese see vast economic blocs being formed, such as those of the British Commonwealth of Nations, France and its colonies, the Netherlands and its colonies, and the United States and its insular possessions. To the extent that such blocs are successful in giving preference to trade within the group forming the bloc, Japan's opportunities for trade expansion are reduced.

Faced with these barriers and restrictions upon their further economic expansion, the Japanese feel that the world frowns upon their hard-won success in industrialization and commercial development, just as the world has in the past frowned upon their territorial expansion and upon their attempts to relieve the pressure at home by emigration to other lands. At the same time, because of their rapidly increasing population and the dearth of their natural resources, they feel that economic expansion is of vastly greater importance to them than to other nations, such as the United States, which have lower natural rates of population increase and much greater natural resources upon which to rely.

Higher Living Standards.

A decided factor in the life of Japan today is the rising standard of living. This factor is difficult to define accurately. It is however an active force which

affects

affects all phases of life in the country and goes hand in hand with a higher moral tone in Japanese society. This moral development has accompanied the economic development elsewhere noted in this report. Statistical data on living standards are not readily available, but it may safely be said that the average Japanese family lives better today than ever before. There is a greater variety of food, a wider choice of clothing and in the larger cities, much better housing than was the case a generation ago. One indication of higher living standards is education. According to the Japan Year Book, school attendance, including attendance at higher institutions of learning, increased from 10,435,364 in 1920-21 to 12,571,748 in 1930-31, the latest year for which full statistics are available. This is about what would be expected, as the population, according to the same authority, increased from 55,863,053 in 1920 to 64,450,005 in 1930. However, the attendance at Universities increased from 21,915 in 1920-21 to 89,607 in 1930-31. The last figure is somewhat misleading, as a number of schools were raised to University grade in the meantime; but after making all allowances, there has been a tremendous growth in the number of young persons seeking higher education. The higher technical schools also show a phenomenal growth, although the figures are not so startling as those of the Universities. This indicates that the nation is able to support a higher educational standard and that more families are in a position to give a broader education to their children. The higher standard of life, both moral and material, requires a higher income for its support.

Another

Another illustration is to be found in the attention now paid to the peasantry. Much has been written lately of the hard lot of the rural classes in Japan. Their lot is hard, but it is only recently that it has become an object of interest or concern to the country at large. The northern districts of Honshu, the Main Island of Japan, for example, are mountainous and unfertile. The rural inhabitants of this region have always been close to the margin of subsistence. Unfavorable crops have meant privation for the majority and starvation for many. Their moral standards have been on a level with their living conditions. While it would not be correct to say that families have counted on the sale of their daughters for income, it is none the less true that the amusement centers of Tokyo and other large cities have been largely recruited from young girls from the Northern prefectures. The extreme poverty and distress which has faced them made girls willing to accept any opportunity to escape from home, while their parents were willing to part with them when it meant money in the home. Many a well known drama and story in Japan is woven around conditions such as this. In the autumn and winter of 1905-1906 there was a famine of considerable proportions in this region. The newspaper accounts of the time indicate that it was severe. There is evident, however, none of the moral indignation that accompanies the accounts of the distress now raging in the same region. The Government has taken measures to feed the population and to prevent the traffic in girls, a condition which aroused little or no comment a few years ago.

The public concern over rural conditions seems to indicate

a higher moral standard on the part of the public. It seems improbable that rural distress in Japan is greater now than it was a generation ago. The explanation appears to be that improved conditions throughout the country have raised the public tone, so that a situation which was received with indifference by a former generation, now arouses the moral sense of the nation.

This rural distress has been to a very great extent the backbone of cheap industrial labor in Japan. Grinding poverty has driven young people to the cities. Girls could be obtained to work in mills and factories and boys could be recruited as day laborers for what appears to us to be a pittance. Ordinary labor can be obtained for from 43 to 50 cents a day, and skilled workmen in the textile trades for less than one dollar a day, plus certain bonuses which may amount to 25 per cent in some cases. These are undoubtedly very low wages. They represent, however, the difference between actual starvation at home, and the comparative comfort of a barrack-like boarding house in a city. The workers are really better off than they would be on the barren hillsides where they were born. They have a standard of living which is remarkably cheap, and while restricted from our point of view, it is affluence compared to the penury which drives them from the country. The abundance of this type of labor - hardy, used to cheap living and discipline - has enabled Japan to build up its present industrial plant, and to invade world markets with its products.

Industrialization has enabled the Japanese people to

raise

raise their living standards. It is true that Western standards have risen at the same time, and that present living conditions in Japan are considerably below those in Europe or America. Still, viewed from the Japanese standpoint, there has been a decided improvement in the life of the people in the past generation, an improvement which is still continuing, which the Japanese are determined shall not stop, and which is an important element in their drive for foreign trade.

Conclusion.

The above resumé attempts to visualize the situation in Japan as the Japanese themselves see it. The Japanese see themselves as an overpopulated nation, but as a nation of active, intelligent and progressive people, anxious to find a "place in the sun", and to raise their standard of living. At the same time they see themselves as badly handicapped by limited workable natural resources and by a lack of economic opportunity within the territories which they control. They have tried emigration and colonization, but without any considerable success. They also tried industrialization, and have been successful through a combination of patient hard work, intelligent planning and fortunate circumstances, only to find the world gradually closing its markets to their products.

It cannot be doubted that these ingredients form a highly explosive mixture, and, also, that the nations of the world owe it to themselves and to Japan to endeavor to formulate policies which will prevent the mixture from exploding. It is possible that the solution of the problem

can be found in the Christmas message of the Secretary of State:

"Peace can be obtained by bringing contentment to the peoples of the world. They can be made content by assuring the satisfaction of their needs, removing from them the oppressive fear of hunger and privation If we have the wisdom and imagination to do this we shall then satisfy the age-old longing for plenty and bring into being its corollary, peace."

The satisfaction of Japanese needs will require, primarily, more economic elbow-room for the nation. Manchuria will probably supply the needed opportunities for some fifteen or twenty years, but after that time it will certainly be necessary for them to extend their economic "life line". They can, as in the past, do this by means of military force, but further Japanese military adventures in the Far East would very probably result in a tremendous clash with the Western powers, in which, presumably, Japan would be crushed. It is not likely, however, that such a vigorous nation as Japan would remain crushed for more than one or two generations, after which the process would have to be repeated. The problem confronting Western nations, therefore, when reduced to its simplest terms, would appear to be whether to endeavor to preserve Western interests in the Far East for a generation or two by defeating Japan in a war, or whether to endeavor to satisfy Japan's urge for economic expansion by granting larger markets and greater opportunity for Japanese enterprise in the territories controlled by the Western nations. The second alternative, of course, would be accompanied by steady pressure to preserve our policies relating to the Far East and to demilitarize the Japanese nation.

It will not be an easy task for the world to find economic elbow-room for a population increasing as rapidly as that of

Japan,

Japan, but on the other hand it cannot be expected that the urge for economic expansion in Japan will continue to be so strong in the future as it is at present. A rising standard of living will tend to check the birth rate and will diminish Japan's powers of economic competition, with the result that Japan's position in the economic world will eventually tend to become stabilized, or to approximate Western standards.

Respectfully yours,

JOSEPH C. GREW.

his personal

Japan (S) (A)

DEPARTMENT OF STATE
WASHINGTON

February 7, 1935

My dear Mr. President:

In connection with two matters, first, the silver question and, second, the rumors that a forced rapprochement between China and Japan is in process, I send you herewith two telegrams, one from the American Ambassador at Tokyo and the other from the American Consul General and Counselor of Legation at Nanking, both of date February 2.

The telegram from the Ambassador at Tokyo is guarded in tone but gives clear indication of important possibilities. The telegram from the Consul General and Counselor of Legation at Nanking, who is one of our most experienced "China" officers, gives an account of a conversation with Dr. H. H. Kung, Chinese Minister of Finance, in which Kung pleads for solicitous consideration by the American Government of the proposal which he has submitted with regard to silver. The proposal appears in a communication which has been made to us through the
Chinese

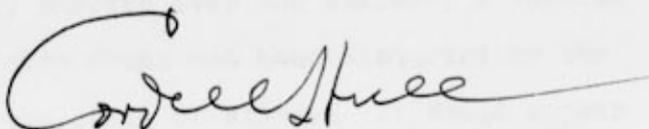
The President,

The White House.

Chinese Legation, dated February 5, a copy of which I am sending to you separately.

These telegrams give indication of the bearing of the silver question upon developments in the field of Chinese-Japanese relations. Whatever the character and amount of the effect which our silver policy is having upon China and in China, we must recognize, I think, and give due consideration to the fact that it is contributing as one among many factors to the situation of weakness in China of which the Japanese are taking, toward extending their own authority in the Far East, full advantage.

Faithfully yours,

A handwritten signature in cursive script, reading "Cordell Hull". The signature is written in dark ink and is positioned below the typed name.

Enclosures:

- Telegram from Embassy, Tokyo,
February 2, 1935. (In paraphrase)
- Telegram from Consulate, Nanking,
No. 21, February 2, 1935.

P A R A P H R A S E

A telegram dated February 2, 1935, from the American Ambassador at Tokyo, reads substantially as follows:

Notwithstanding assurances from official quarters that the Japanese Minister to China has received no new instructions, the press continues to contain references to rumors of new agreements and negotiations between China and Japan.

Based on such information as may be obtained locally, the probability is that the underlying difficulty is economic rather than political. In Manchuria the Japanese army is greatly worried over the currency situation and Japanese trade with China has been disturbed by the recent increase in the price of silver. It would appear from reports which the Embassy cannot evaluate that the removal from circulation and the hoarding of silver is causing the Chinese Government difficulty with regard to its finances. Thus it is possible that Japan may offer or China may request Japanese assistance although just what steps Japan may take is a matter for conjecture. It would appear doubtful whether funds in any quantity from Japanese sources would be available and it is not apparent what other assistance would prove acceptable. Furthermore, it is not apparent what Japan would expect in return for
such

such help as it might be in a position to offer or provide.

It is possible that, as in China the basic medium of exchange is silver, the Chinese Government may be forced, as a result of the increasing price of silver, to request Japanese help in the stabilization of exchange and to effect a devaluation of its currency.

COPY:EJL

Nanking via N.R.

Dated February 2, 1935

Rec'd 7:58 a.m.

Secretary of State,
Washington.

21, February 2, 10 a.m.

~~CONFIDENTIAL~~

One. Kung, Minister of Finance, called on me February 1, 7 p.m., and saying he thought I might want to report to the American Government the present state of affairs, he described what he designated the "grave situation" of the Chinese Government and the entire nation.

Two. While Kung employed very restrained language he nevertheless attributed the gravity of the situation in large part to the silver purchase policy of the American Government which he said had unduly raised the price of silver instead of stabilizing it as had been the intent of the silver agreement. This in turn caused the drainage from China of \$260,000,000 in 1934, mainly in the last four months ten times the export in any one previous year which tightened currency and credit and has made it impossible to finance not only ordinary commercial and industrial operations but even vital government activities such as the economic reconstruction of the
country

country and the suppression of the communist forces West China.

Three. Kung said that disaster threatened unless financial aid obtained from some foreign source and he referred to a proposal which he stated he had submitted to the American Government recently. He asked that I telegraph the Department expressing his earnest hope that this proposal would meet with the approval of the American Government.

Four. As being a phase of the situation of no particular interest to the American Government and to European Governments he referred to recent news reports from Japanese sources to the effect that the Japanese Government is pressing on China collaboration with Japan in all fields to the exclusion of the white races and he particularly instanced a report carried in Reuter's service on February one quoting General Minami as advocating that Europeans, Americans and Orientals each take steps to preserve peace in their respective areas and that China abandon policy of depending on the United States, Europe and the League in opposing Japan. He said I might safely infer from the Japanese reports what proposals are being made in China by Japan. In spite of my questions Kung refused to indicate in precise terms what demands, if any, the Japanese are presenting at the present time but he repeatedly

repeatedly emphasized that now is a crucial time in the history of the Orient and that timely financial aid from the United States enabling China to preserve independence in facing Japan would save the world from the threat of Japan's imperialistic designs.

Five. Chinese leaders, with whom I have conversed during the past week, have been more reticent than is their custom when talking about Japanese oppression in China and I conclude either that the Japanese have not made formally any fresh demands on China or that the Government is favorably considering a policy of submission to and collaboration with Japan and is attempting to keep it secret until it is to some extent an accomplished fact. It is certain that there are leaders in the Government who advocate this policy arguing that the assistance hoped for from the United States and the League has hitherto given no promise of materializing in effective form. The most probable explanation of the contradictory reports is that the pro-Japanese group in the government have succeeded in persuading Chiang Kai Shek to listen to Japanese secret overtures and that he has forbidden any discussion of the subject with outsiders.

PECK

February 7 1935

My dear Mr. President:

In connection with two matters, first, the silver question and, second, the rumors that a forced rapprochement between China and Japan is in process, I send you herewith two telegrams, one from the American Ambassador at Tokyo and the other from the American Consul General and Counselor of Legation at Nanking, both of date February 2.

The telegram from the Ambassador at Tokyo is guarded in tone but gives clear indication of important possibilities. The telegram from the Consul General and Counselor of Legation at Nanking, who is one of our most experienced "China" officers, gives an account of a conversation with Dr. H. H. Kung, Chinese Minister of Finance, in which Kung pleads for solicitous consideration by the American Government of the proposal which he has submitted with regard to silver. The proposal appears in a communication which has been made to us through the
Chinese

The President,

The White House.

Chinese Legation, dated February 5, a copy of which I am sending to you separately.

These telegrams give indication of the bearing of the silver question upon developments in the field of Chinese-Japanese relations. Whatever the character and amount of the effect which our silver policy is having upon China and in China, we must recognize, I think, and give due consideration to the fact that it is contributing as one among many factors to the situation of weakness in China of which the Japanese are taking, toward extending their own authority in the Far East, full advantage.

Faithfully yours,

CordeH HUN

Enclosures:

Telegram from Embassy, Tokyo,
February 2, 1935. (In paraphrase)
Telegram from Consulate, Nanking,
No. 21, February 2, 1935.

Diplomatic file

*File Japan
(5) (2)*

DEPARTMENT OF STATE
WASHINGTON

March 13, 1935

Dear Mr. President:

You may recall that I submitted to you, with my letter dated January 22, 1935, a despatch from Mr. Grew, the American Ambassador to Japan, on the subject: "The Importance of American Naval Preparedness in Connection with the Situation in the Far East".

There are enclosed a copy of a further despatch from Mr. Grew, on the subject: "Urge Toward Expansion in Japan", and a digest thereof. In his previous despatch Mr. Grew urged that the United States "be adequately prepared to meet all eventualities in the Far East". In his most recent despatch Mr. Grew discusses certain social and economic forces and conditions which apply to the Japanese and give rise to the movement toward economic and political expansion.

Mr. Grew presents the thought that the United States, while preparing itself to meet any eventualities in the Far East, might also assume a sympathetic and cooperative attitude

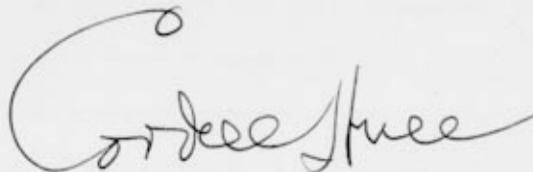
The President,

The White House.

attitude toward Japan based on larger considerations reaching into the future. It is our belief that, since the present Administration came into office, we have endeavored, wherever practicable, to be cooperative toward Japan.

It is believed that perusal of the digest and, if time and opportunity permit, of the despatch itself will be found helpful.

Faithfully yours,

A handwritten signature in cursive script, reading "Cordell Hull". The signature is written in dark ink and is positioned below the typed closing "Faithfully yours,".

Enclosures:
Copy of despatch
and digest thereof.

March 13/ 1935

Dear Mr. President:

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The President,

The White House.

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It is believed that perusal of the digest and, if time and opportunity permit, of the despatch itself will be found helpful.

Faithfully yours,

Cordell Hull

Enclosures:
Copy of despatch
and digest thereof.

PSF: Japan

DIGEST
of
Despatch No. 115,
dated February 6, 1935,
from
The Honorable Joseph C. Grew,
American Ambassador to Japan,
entitled
"URGE TOWARD EXPANSION IN JAPAN".

--000--

March 4, 1935.

There being two sides to every problem, an appreciation of the factors which create and stimulate among the Japanese an urge for expansion tends "to give a proper balance to our judgment". We should "examine this expansionist urge in Japan as the reasonable and logical operation of well-nigh irrepressible forces based on the underlying principle of self-preservation". If after an examination of these forces the conclusion is reached that disturbances of the peace along the lines of the Sino-Japanese controversy must inevitably occur, "we may pause to consider the wisdom of basing our own policy toward Japan on two concurrent principles: (1) national preparedness for the purpose of protecting our legitimate interests in the Far East, and at the same time (2) a sympathetic, cooperative and helpful attitude toward Japan, based on larger considerations reaching into the future".

The four principal factors are:

1. Over-population.
2. Lack of natural resources.
3. Industrialization.
4. The rising standard of living.

Over-population.

Over-population.

According to the latest available official statistics, the population of Japan has been increasing each year at the average rate of 942,636, or about 1.5 per cent per annum, while the birth rate in 1930 was 32.4 per thousand of the population, as compared with 18.1 in France, 17.5 in Germany and 16.8 in Great Britain. The density of population, when the relatively small proportion of the land that is fit for cultivation is taken into consideration, does not permit of a satisfactory absorption of the annual increase of nearly one million in the population and thus creates an urge for expansion which cannot be accomplished by emigration, "nor by further development of the natural resources of Japan, nor by colonization". The problem of over-population has been partly met by increased industrialization, "but industrialization presupposes the existence of definite markets and thereby leads to territorial expansion in one form or another".

Natural Resources.

The agricultural resources of Japan are sufficient, under existing conditions, to supply the requirements of the Japanese, whose tastes in regard to food are simple. Its mineral resources, although not extensive, are greater than is generally supposed. Nevertheless, it is lacking

in

in most of the basic raw materials used in industry, and it is dependent upon other countries for such necessities as oil, raw cotton and wool.

Industrialization.

Japanese goods produced by mass-production methods began to appear in great quantities in the world's markets during the World War, and in the last few years the Japanese have taken advantage of their capacity for organization, their cheap and dextrous labor, and their geographical proximity to large markets, to develop their export trade, and by depreciating their currency they have offered their goods "at prices which have demoralized the world's markets and have brought panic to the industrialists of the West". While the Japanese attribute their low capital and other overhead charges to intelligent planning and efficient management, they attribute their success to the national determination and enthusiasm. "From the highest to the lowest, the people are united in an almost fanatical zeal for the promotion of their nation's power in the world, commercial as well as military and political". The actions of various countries in restricting imports of Japanese commodities has caused the Japanese to feel "that the world frowns upon their hard-won success in industrialization and commercial development, just as the world has in the past frowned upon their

their

their territorial expansion and upon their attempts to relieve the pressure at home by emigration to other lands".

Higher Standards of Living.

The standard of living is rising in Japan. There is a greater variety of food, a wider choice of clothing, and, in the larger cities, much better housing than was the case a generation ago. There has been at the same time a marked increase in attendance at colleges and universities. Simultaneously with a rising standard of living there has been a rise in moral standards.

Conclusion.

Having tried without success to solve the problem of over-population by emigration and colonization, the Japanese have turned to industrialization, and although they have been successful in this direction through a combination of patient hard work, intelligent planning and fortunate circumstances, they "find the world gradually closing its markets to their products". If the Japanese needs are to be filled, Japan will require more economic elbow-room. This Japan can acquire by force, which in all probability would result in a clash with the western powers, in which Japan would be crushed. "It is not likely, however, that such a vigorous nation as Japan would

would remain crushed for more than one or two generations, after which the process would have to be repeated". The problem confronting Western nations would appear to "be whether to endeavor to preserve Western interests in the Far East for a generation or two by defeating Japan in a war, or whether to endeavor to satisfy Japan's urge for economic expansion by granting larger markets and greater opportunity for Japanese enterprise in the territories controlled by the Western nations. The second alternative, of course, would be accompanied by steady pressure to preserve our policies relating to the Far East and to demilitarize the Japanese nation".

Japan folder

May 29, 1935.

My dear Mr. Fey:-

I have received from Japan a letter sent by you for publication in Japan under date of May 3rd, 1935. I understand that this letter, sent by fifteen religious leaders in this country, was also signed by five hundred other persons.

Will you be good enough, for my information, to let me know whether this is true?

Very sincerely yours,

Harold E. Fey, Esq., Secretary,
American Fellowship of Reconciliation,
2929 Broadway,
New York, N. Y.

THE UNDER SECRETARY OF STATE
WASHINGTON

May 23, 1935.

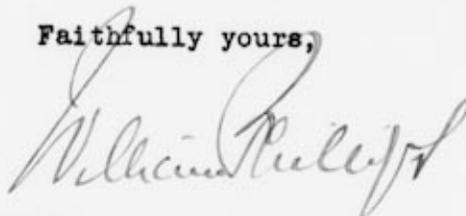
Dear Mr. President:

Referring to our conversation this morning with regard to the "open letter" sent to the people of Japan from a number of religious leaders in the United States protesting against the American naval maneuvers, I enclose a copy of the text of this "open letter", together with a paraphrase of a telegram from Mr. Grew, under date of May 3rd, on this same subject. Mr. Grew's telegram ^{also} refers to another message, more or less of the same character, from American missionaries resident in Japan, which, however, is of lesser interest.

Faithfully yours,

The President

The White House.



P A R A P H R A S E

A telegram dated May 3, 1935, from the American Ambassador at Tokyo, reads substantially as follows:

This morning there was published in the JAPAN ADVERTISER the open letter from religious and other leaders in the United States protesting against the American naval maneuvers in the Pacific Ocean. The open letter was published in no Japanese newspaper except the JAPAN TIMES and the YOMIURI in small type. As yet the letter has aroused no editorial comment. The negative public reaction to the letter is correctly appraised in Byas' telegram this evening to the NEW YORK TIMES. The news value of the message from American missionaries in Japan to "fellow Christians in the United States", issued here on Easter Sunday, was killed by the Taiwan earthquake and appeared in no Japanese newspaper.

COPY

(On May 1, 1935 the following letter was received from Mr. Harold E. Fey, Secretary of the American Fellowship of Reconciliation, 2929 Broadway, New York, by W. Axling and T. D. Walser. In April fifteen persons sent the letter to 500 of the religious leaders of the USA for signature. It will be released in the USA on May 3rd, the day the naval maneuvers begin and Mr. Fey requested W. Axling and T. D. Walser to give the letter publicity in Japan on the same day.)

AN OPEN LETTER
to
THE PEOPLE OF JAPAN

In the name of peace we greet you, our brothers and sisters in Japan. For eighty-one years our two nations have maintained friendly relations. During this time each country has developed in parallel growth the strength and wealth of modern statehood. The broad expanse of the Pacific Ocean has become a highway on which the mighty commerce between yourselves and us is carried without danger. The great germinal ideas of our basis world culture move freely between the two nations. Through the miracles of modern communication the years have united our two peoples more firmly in the bonds of universal brotherhood.

We write this letter of good will at this time because this cherished bond might be menaced by a plan announced by our government which we regard as highly unimaginative and mistaken. We refer to the decision of the Navy Department of the United States to hold maneuvers of a large fleet in the North Pacific during the month of May. While these maneuvers may have been ordered simply as part of the routine idea of naval men to exercise the fleet from time to time in such ways as will promote its technical efficiency, we are strongly opposed to this move because no matter how honestly meant to be without offense to any other nation such maneuvers will hardly escape misinterpretation by sensation-mongers and individuals in each nation who are in a position to profit from the creation of fear and suspicion. We desire to convey to you, therefore, the knowledge that many thousands of our citizens, especially those who constitute the membership of our churches and synagogues, have protested against the holding of these maneuvers. Great meetings have been and are being held, officials have been visited and

thousands

thousands of letters and telegrams of protest have been sent. Multitudes of our people, whether connected with the institutions of religion or not, oppose these maneuvers and join us in spirit as we convey to you our assurances of continued and undiminished friendship.

In the spirit of equality and brotherhood we therefore ask you to unite with us in redoubling our efforts to maintain our historic friendship and in opposing every effort that is likely to lead to mistrust between our peoples. Together let us move forward in peace and justice to greater service to humanity, weaving the broad seaways of the mighty Pacific into unbreakable bonds of unity in the world community.

Sincerely yours,

Harry Emerson Fosdick
W. Russell Bowie
Sherwood Eddy
Paul Jones
Edmund B. Chaffee
Kirby Page
John Nevin Sayre
E. Raymond Wilson

John Haynes Holmes
S. Parkes Cadman
Allen Knight Chalmers
Francis M. McConnell
Rufus M. Jones
Ernest Fremont Tittle
Harold E. Fey

file

*File Japan 1935
Whelan 2*

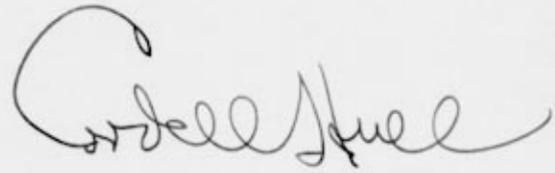
DEPARTMENT OF STATE
WASHINGTON

November 19, 1935

My dear Mr. President:

I believe you will be interested in reading the enclosed copy of a despatch from Mr. Pierrepont Moffat, now at Sydney, Australia, which contains an able discussion of Australian policy regarding Japan.

Faithfully yours,



Enclosure:
From Consulate General, Sydney,
No. 26, October 12, 1935.

The President,
The White House.

DUPLICATE

26

Sydney, Australia, October 12, 1935.

SUBJECT: Present day Australian policy vis-a-vis
Japan.

~~SECRET~~

THE HONORABLE
THE SECRETARY OF STATE
WASHINGTON.

SIR:

Following my recent visit to Canberra I have attempted, on the basis of my conversations there, supplemented by impressions gained in Sydney, to analyze and appraise the Australian Government's view of its present-day relations with Japan.

1. As much as any one factor, Australian mistrust of Japan keeps the Commonwealth content not only to follow Great Britain (sometimes against its immediate interests) in the latter's foreign policy, but to play the role of an active and willing partner in the Imperial association. When Mr. Lyons, the Prime Minister, said to me the other day "My Government will follow the British lead: I can never forget that some day Australia may find herself in Abyssinia's present plight", and when, in like vein, Mr. Menzies, the Attorney-General, in the course of a careful statement

ment of policy before Parliament declared - "If we do not support Britain why should she support us?" both men were thinking of Japan and of Japan alone.

2. Relying as she does upon British help in case of Japanese aggression, it naturally follows that Australia desires to see the British Fleet as powerful as possible. This is particularly true in the cruiser category, where a marked British predominance would play an important role in keeping Australian communications free and open. Australia is obviously out of sympathy with our policy of demanding parity with Great Britain in the cruiser class and still more so with our policy of advocating a further (even if proportionate) reduction in the number of cruisers. I have found no sympathy with the conception of relativity in computing naval strength; logic to the contrary notwithstanding, Australia seems to prefer a large British fleet in the absolute sense even if it means a larger Japanese fleet.

3. Despite the near completion of the Singapore base, Australia still considers Britain's present fleet undermanned and too weak adequately to protect her. She also questions whether America would come to her aid and cites our withdrawal from the Philippines as an instance of our growing disinterestedness in the Pacific. At any rate, with British strength impaired and with American aid doubtful, Australia considers herself driven
by

by logic to "make friends" with Japan.

4. Another factor enters into the picture at this point, namely, Japan's increasing purchases of Australian wool and her very large adverse trade balance with Australia. Japan is using this situation in every legitimate way in an attempt to force concessions from the Commonwealth, and so uneasy is Australia over the possibility (remote, it seems to me) of losing Japanese competition in her wool auctions and the Japanese market for her primary products, that there is a noticeable disposition to conclude a trade treaty with Japan even at the cost of considerable sacrifice. Negotiations to date have been unproductive, largely for the reason that Japan competes in the Australian market primarily with Great Britain, and concessions that would penalize British trade are considered both inadvisable from the political point of view and, as a result of the Ottawa agreements, impossible from the legal. Could Australia find concessions at our expense that would satisfy Japan there is a strong possibility that she would grant them, so marked is her present resentment at our failure to purchase from Australia.

5. Australia believes that Japan must expand in some direction, and rejoices every time Japan becomes involved abroad, provided it is not in a southerly direction. Thus I have yet to meet an Australian who opposed
Japan's

Japan's Manchurian policy or desired to see Japan out of Manchukuo. This view finds reflection in an idea which I have heard referred to in conversation by Mr. Lyons, and by several non-official Australians, that one of the greatest contributions that could be made to world peace would be some sort of a Pacific pact based on the theory that the present status quo in the Pacific represented a fair balance of strength which could well be perpetuated.

6. Meanwhile, although Australia is more than willing to negotiate directly with Japan on matters of trade, she is decidedly unwilling to negotiate directly with Japan on political matters. Hence her reluctance to establish diplomatic representation in Tokyo. Partly, I think this is due to a certain inherent inferiority complex of Australia in foreign affairs; partly to an absence of trained men; partly to a belief that Great Britain can speak in her behalf more forceably than she could herself; and partly to a fear that Japan may some day publicly raise certain unpalatable subjects, such as Japanese immigration into Queensland, Japanese participation in the coastwise trade, etc.

7. I have been told in strict confidence by an Australian of prominence, who is not a member of the Government but to whom the Government is beholden,
that

that Japan some six weeks ago sent a note seriously urging Australia to reconsider her immigration policy; she even offered that if a Japanese immigrant should marry, or even consort with a white woman, he would at once be "recalled". According to my informant, Ambassador Debuchi during his recent visit merely asked whether the note had been received, and did not push the subject further. I report this with considerable reserve, as I have to date had no confirmatory evidence.

8. Occasionally I have come across expressions of faint regret that the Anglo-Japanese alliance had lapsed, on the theory that while it lasted Japan could not possibly afford to endanger or even to embarrass Australia. Frequently, however, I have seen evidences of a belief that Australia stood definitely to gain from rivalry between Japan on the one hand and the United States on the other, with Great Britain acting as honest broker between the two.

9. With these varied elements of the picture before it I think the Department can understand the reasons for Australia's reluctance to take a strong stand, similar to that taken by General Smuts, in favor of an Anglo-American alignment during the Naval Conversations in London last autumn. "We must give Japan no excuse to adopt an anti-Australian policy,

either

either political or commercial" epitomizes Australian
policy today.

Respectfully yours,

Jay Pierrepont Moffat
American Consul General.

800
JPM:bg
To the Department of State in quintuplicate.

A true copy of
the signed
original.

PS F Japan



DEPARTMENT OF STATE
WASHINGTON

In reply refer to
FE 123 G 861/654

January 24, 1936

My dear Mr. McIntyre:

I send you herewith a copy of mail despatch from Tokyo, No. 1613, December 28, 1935. It is believed that the enclosure, a report of an address by Ambassador Grew in which the Ambassador made reference to conversations with the President and conferences with the Department of State, will be of interest to the President.

Sincerely yours,

Stanley K. Handrich

V

Enclosure:
From Tokyo, despatch
No. 1613, December 28,
1935, with enclosure.

The Honorable

Marvin H. McIntyre,

Assistant Secretary to the President,

The White House.

Department of State

BUREAU
DIVISION

FE

ENCLOSURE

TO

Letter drafted

ADDRESSED TO

Mr. McIntyre,
Assistant Secretary to
the President,
The White House.

Tokyo, December 28, 1935.

No. 1613.

SUBJECT: ADDRESS MADE BY THE AMBASSADOR.

The Honorable
The Secretary of State,
Washington.

S i r :

In accordance with standing instructions I have the
1/ honor to transmit herewith a copy of an address delivered
by the undersigned at a luncheon of the America-Japan
Society on December 19, 1935.

Respectfully yours,

Enclosure:
1/ as stated above.

Joseph C. Grew.

123
JCG:1

THE JAPAN ADVERTISER
DECEMBER 20, 1935.

SOCIETY WELCOMES GREW, KABAYAMA

America - Japan Organization
Gives Luncheon for Two Re-
turning From Abroad

ENVOY GIVES IMPRESSIONS

President Roosevelt Quite Fa-
miliar With Eastern Affairs,
Ambassador Discovered

Members of the America-Japan Society extended a welcome to the American Ambassador, Mr. Joseph C. Grew, and Count Aisuke Kabayama, vice-president of the society and chairman of the board of the Society for International Cultural Relations, at a luncheon held yesterday at the Tokyo Kaikan. Both Count Kabayama and Ambassador Grew recently returned from extended trips to America and Europe, and both, in response to Prince Iyesato Tokugawa's speech of welcome, gave some of the impressions they received in the course of their travels.

Prince Tokugawa, president of the America-Japan Society, remarked that Tokyo had missed Ambassador and Mrs. Grew during their absence and said the members of the society were all eager to hear something of the Ambassador's impressions and observations of his trip. He referred to Count Kabayama as an "international commuter" who on his frequent trips to America and Europe never fails to plant the seeds of better international understanding.

Response by Ambassador

Ambassador Grew said the home fire-side in Tokyo seemed extraordinarily welcome after his wanderings abroad, and he expressed gratitude to the society for sending representatives to extend greetings in Yokohama. It was a source of satisfaction that the Vice-President of the United States, the Speaker of the House and the Secretary of War as well as numerous Senators and Congressmen had been able, during their visits here, to make personal contacts with the Japanese Government and Japanese individuals—contacts which he felt would be mutually beneficial. Ambassador Grew was deeply grateful to the Government and the America-Japan Society for the hospitality and courtesies accorded his fellow countrymen during their respective visits.

The Ambassador also expressed appreciation for the courtesies shown by Japanese Ambassadors and consular representatives in many different countries through which he traveled. "Not only did they invite us to their respective houses when time allowed, but in many cases they came to the railroad station or dock to welcome us or say goodbye, although we were but fleeting transients," he said. "No gesture could better illustrate the proverbial courtesy and sense of hospitality of the Japanese people."

In giving some of the impressions he obtained during his stay in America, Ambassador Grew said:

"In America I made three separate visits to Washington and had ample opportunity to get in touch with the Administration, which had come into office since my appointment to Japan in 1932, and to discuss many questions of mutual interest to Japan and the United States. I saw the President several times and went over much ground with him. He seemed to be quite as familiar with the affairs of my post, and the details thereof, as I am myself, and his clarity of vision, energy, enthusiasm and utter cheerfulness and joy in his work filled me with admiration. After contact with such a Chief one returns to one's duties with renewed vigor and with the feeling that one's storage battery has been re-filled and will last for some time to come.

Held Valuable Conferences

"My many conferences with the Department of State were highly valuable and a great many subjects were rendered far clearer by personal contact than they ever can be through correspondence. I think you know that my conception of the duties of an Ambassador—indeed I can imagine no other conception—is that this his primary and fundamental purpose is not only to eliminate friction but to develop sound, sane and mutually beneficial relations of friendship and goodwill, both in principle and in practice, between his own country and the country to which he is accredited. He must therefore not only support and maintain the interests of his own country and people but must also at the same time set forth a fair and reasonable picture of the interests and point of view, and all that lies beneath them, of the other country and people. Otherwise the basis for those mutually beneficial relations will be only half laid, and there will exist the danger that the resulting edifice may be constructed on sand. And so it was not without some practical truth that I smilingly remarked to Ambassador Saito in Washington that I was temporarily usurping his functions by acting as Japanese representative to the United States. I am hopeful that in some respects these efforts will not have been in vain. On the other hand, I have learned much concerning the point of view of the American Government and people touching many questions, and in setting forth these points of view in Tokyo I confidently look for a sympathetic hearing and a continued endeavor to find a basis upon which Japanese-American relations may continue upon an even keel with a mutual and common sense comprehension and appreciation of both sides of the picture."

Count Kabayama gave a resume of his trip to both America and Europe, which he made chiefly in behalf of the Society for International Cultural Relations. He emphasized particularly the progress being made in improving international relationships through cultural activities, saying that he had found people abroad more anxious to obtain cultural treasures than armaments.

Special mention was made by Count Kabayama of the good results of the visit to Japan last spring made by members of the Garden Club of America. The visit, which was sponsored by the America-Japan Society here, had made an unusually deep impression upon the garden club party, he discovered on visiting America, and it was still being discussed in many places in the United States, even in cities where there were no garden clubs.

The guests of honor at yesterday's luncheon were Ambassador and Mrs. Grew, Count Kabayama, Mr. and Mrs. Cecil B. Lyon, and Mr. J. Graham Parsons.

URGENT

Japan - 1936

file

DEPARTMENT OF STATE
WASHINGTON

February 26, 1936

My dear Mr. President:

I send you herewith copies of telegrams Nos. 36,
37 and 38 of February 26 which we have received from
Ambassador Grew at Tokyo in regard to the military
coup which took place in Tokyo on February 26. I
enclose also a brief memorandum of interpretation
prepared in the Division of Far Eastern Affairs of
the Department.

Here in the Department we are refraining from
public comment other than expression of regret over the
assassination.

Faithfully yours,

Cordell Hull

Enclosures:
From Embassy, Tokyo,
telegrams Nos. 36, 37
and 38 of February 26,
1936;
Memorandum.

The President,
The White House.

x197

v20

TOKIO

Dated Feb. 26, 1936.

Rec'd 2:22 a.m.

Secretary of State,
Washington.

RUSH

36, Feb. 26, 10 a.m.

The military took partial possession of the Government and city early this morning and it is reported have assassinated several prominent men. It is impossible as yet to confirm anything. The news correspondents are not permitted to send telegrams or to telephone abroad.

This telegram is being sent primarily as a test message to ascertain if our code telegrams will be transmitted.

GREW.

CA

Gray

TOKIO

Dated Feb. 26, 1936.

Rec'd 2:18 a.m.

Secretary of State,
Washington.

RUSH.

37, Feb. 26, noon.

Embassy's 36, Feb. 26, 10 a.m.

One. It now appears fairly certain that former Premier Admiral Saito, former Lord Keeper of the Privy Seal Count Makino, Grand Chamberlain Admiral Suzuki, and General Watanabe, Inspector General of Military Education, have been assassinated. It is also reported that Finance Minister Takahashi and the Chief of the Metropolitan Police Board have been wounded.

Two. The Military have established a cordon around the district containing the Government administration offices and the Imperial Palace and do not permit ingress without army passes. Telephonic communication with the administrative offices has also been stopped. The stock exchange has been closed. END SECTION ONE.

GREW.

JS

CA

Gray

TOKIO

Dated Feb. 26, 1936.

Rec'd 2:12 a.m.

Secretary of State,
Washington.

37 (SECTION TWO)

Three. It has been reported that Premier Okada, Home Minister Goto and former War Minister Hayashi were also assassinated and that Finance Minister Takahashi has died of his wounds. The Embassy cannot confirm any of these rumors.

Four. So far there has been no disorder and no street fighting as far as the Embassy is aware. The troops taking part in the uprising appear to be under perfect discipline and are not interfering with normal affairs of the people. Until the nature and probable results of the uprising are better understood by the Embassy however the Embassy is advising those who ask to remain ^{at} home. There appears to be absolutely no (repeat no) anti-foreign feeling involved in the affair. END SECTION TWO.

GREW.

JS

McL

Gray.

Tokyo.

Dated February 26, 1936.

Received 3.44 a.m.

Secretary of State,
Washington.

37 (section 3)

Five. A mimeographed statement was left by groups of soldiers at each of the principal newspaper offices this morning. The statement alleged that the present government had been drifting away from the true spirit of Japan and that it had usurped the prerogatives of the Emperor. As evidence of this statement cited the signing of the London Naval Treaty and the dismissal of General Hazakia. It continued rather vaguely with an expression translated by the United Press about as follows: "If this condition is permitted to continue, the relations of Japan to China, Russia, Britain and the United States will become 'explosive in nature'". The statement was signed by Captain Nonaka and Captain Ando, both of the Third Infantry regiment stationed in Tokyo. According to the soldiers who delivered the statement another announcement will be made at five o'clock this evening

and at

-2- Sec. 3, 37 from Tokyo.

and at that time" a new law of state" will be promulgated. The Embassy's informant believes that certain constitutional prerogatives will be suspended. He likened the existing situation to the Batista coup d'etat in Cuba. (end Sec. 3.)

GREW.

JS
McL

(~~CONFIDENTIAL~~)

P A R A P H R A S E

Section 4 of a telegram (No. 37) of February 26, 1936, from the American Ambassador at Tokyo, reads substantially as follows:

Information which the Embassy has been able so far to obtain indicates that the uprising is something of a coup d'etat brought about by the young Fascist group in the army for the purpose of destroying all of the group of elder statesmen who have been advisers to the Throne and effecting in this way the so-called "Showa restoration". It seems that the Emperor is being held incommunicado in the Palace in order, presumably, to keep anyone from seeing him and obtaining an Imperial mandate which would interfere with the army group's plans. Apparently the trial of Aizawa for the murder of General Nagata, which has aroused the feelings of the Fascist group in the army, and the recent election which resulted in the election of an unexpectedly large number of the more liberal candidates are the immediate causes of the uprising. According to most recent reports, the leading spirit in the uprising is General Mazaki and the position of Acting Prime Minister has been taken over by Admiral Osumi, Minister of the Navy. Apparently the movement down to the last detail was thoroughly organized in advance.

According to information just received from a fairly reliable source, Count Makino is unharmed.

FS

GRAY

Tokyo

Dated February 26, 1936

Rec'd 9:05 a. m.

Secretary of State,
Washington.

RUSH

38, February 26, 7 p. m.

Embassy's 37, February 26, noon.

One. Up to this point the Embassy has endeavored merely to keep the Department promptly apprised of current reports emanating from the most reliable contacts available but not susceptible of definite confirmation. In the existing nebulous atmosphere the wildest rumors have naturally been passed around in Tokyo. The following information was received confidentially this afternoon in conversation with a friendly and trustworthy official.

Two. "It appears that the attempted coup d'etat was the work of a few companies of the first and third regiment of the first division with headquarters in Tokyo. These soldiers amounting to perhaps 1000 men, led by officers of junior rank, left their barracks in the night with arms and ammunition. Some of the men seized the Prime Minister's residence, the police headquarters, the

Home

FS 2-No. 38, February 26, 7 p. m. from Tokyo

Home Office, the War Department, and the office of the General Staff of the Army. The rest armed with machine guns proceeded to the residences of Viscount Saito, Admiral Suzuki, Finance Minister Takahashi, General Watanabe and others and murdered them. Attempts were also made upon Prince Saionji and Count Makino residing in the country but both appeared to have been forewarned and to have escaped although their safety is not yet definitely confirmed. The exact list of the assassinated officials is not available and the Government has banned all news regarding the matter. The uninjured members of the Cabinet and of the War Council are meeting at the Palace in lieu of other available meeting place. Admiral Osumi, Minister of the Navy is reportedly acting Prime Minister. The Government believes itself in command of the situation and apparently no new units have joined the insurgents who are still in possession of the buildings they seized last night. The approaches to these buildings as well as the Palace entrances are guarded by soldiers from loyal units not affiliated with the revolutionary troops. The higher military officers have not taken drastic action against the latter because they do not wish further bloodshed or street fighting."

(END ONE) .

HPD

GREW

FS

GRAY

Tokyo

Dated February 26, 1936

Rec'd 12:15 p. m.

Secretary of State,
Washington.

RUSH

38, February 26, 7 p. m. (SECTION TWO).

Three. This afternoon a meeting was held between the Emperor, Imperial Princes, members of the Cabinet and members of the War Council at which discussions were held regarding the Acting Premier. It is reported by newspaper men (who are not allowed to publish the news) that at the meeting it was proposed that Prince Konoye or General Araki be appointed as Premier but the insurgents stated that they wanted either Admiral Kanji Kato or Baron Hiranuma; otherwise they will resume their insurgency. The Embassy has not yet been able to ascertain who has been appointed Acting Premier but official sources have mentioned to the Embassy Osumi and Goto. Negotiations are proceeding between the Army High Command and the insurgents but the latter refuse to surrender the buildings they occupy. Additional loyal Government troops have been brought into Tokyo from nearby towns.

Four.

FS 2-No. 38, February 26, 7 p. m. from Tokyo

Four. Latest reports indicate that Home Minister Goto and former War Minister Hayashi were not (repeat not) assassinated.

Five. At the present moment there is no (repeat no) indication or prospect of anti-foreign demonstrations in Tokyo. The Embassy's statement in paragraph four of telegram No. 37 that there appears to be absolutely no anti-foreign feeling involved in the affair referred primarily to the absence of anti-foreign demonstrations. Obviously a chauvenistic discontent with the so-called liberal policies of the late government was the basis of the coup d'etat involving dissatisfaction with its foreign, no less than its domestic, policies and measures.

Six. The report of General Mazaki's implication in the revolt is not confirmed. The restricted size of the movement so far as we can now see indicated fairly clearly that it was the work of junior officers. The Embassy has been given to understand that there will be no further developments of the situation tonight.

(END MESSAGE).

HPD

GREW

Department of State

BUREAU

DIVISION

}----- FE -----

ENCLOSURE

TO

Letter drafted -----

ADDRESSED TO

The President,

The White House.

February 26, 1936.

The Military Coup in Tokyo.

The military coup which occurred on February 26 in Tokyo appears to have been the work of an army regiment stationed in the Japanese capital. The object of the coup appears to have been primarily the removal, by assassination, of various officials and political leaders. There appears to have been little disorder and no street fighting. There are no indications of any corresponding activities outside of Tokyo.

There have come already from the American Embassy to the Department some seven telegrams in succession, with no indication that communication has been interrupted. These have given statements of fact and of accounts current in Tokyo and comment as rapidly as the Embassy could assemble the data and prepare the messages.

It is clear that several high officials and political personages have been assassinated and that others were on the list but escaped. Among those killed were the Prime Minister, the Lord Keeper of the Privy Seal, and the Inspector General of Military Education. Among those that seem to have escaped are Prince Saionji and Count Makino.

Among

Among those named as objects of attack are the Minister of Home Affairs, the Minister of Finance, a former war minister and a prominent admiral. All of these persons fall within the category of "moderates"; most of them are men of comparatively advanced age and long service; they have been a restraining influence -- in opposition to certain ideas and demands of a certain element in the Army (and Navy).

It will be recalled that during the past six years a number of other prominent leaders in Japan have been removed by assassination.

The events of yesterday^{and today} can be interpreted only in the light of the past. For some time there has been in Japan a strong "reactionary-radical" element which has been described by many commentators as "Fascist". On a number of occasions there have been political assassinations and forceful demonstrations in evidence of the existence of this element. In each of such affairs there has apparently been participation by so-called "younger" officers of the Japanese Army and/or Navy. Objectives of these "radical revolutionaries" have been, as declared by their spokesmen, restoration of direct rule of the Emperor, removal of "false" and "unwise" advisers close to the Emperor, and "purification" of the government.

The immediate cause of the present outbreak is

difficult

difficult to determine from the reports thus far at hand, but it would seem that the recent dismissal of the reputed leader of the so-called "younger" army group from the post of Inspector General of Military Education and the result of the recent general election -- favorable to the "moderate" element in the existing administration -- may have been substantial among contributing causes. The "reactionary-radical" element in the Army has been resentful of the restraint exercised by the Government. The military ("warrior") class in Japan have for centuries regarded their class as the natural and rightful rulers of the country and the guardians of the person and the authority of the Emperor. Representative constitutional government is so new an institution in Japan that it has not effectively taken root.

Statements put out by participants in the coup suggest possible thought of establishing some new political régime. The reports of what has occurred, however, give no indication of an intent to overthrow the Government; and according to reports received up to noon today the Government felt that it had the situation in hand. Associated Press despatches published this noon indicated that a new premier was in office. But a press flash received in the Department at 2:15 this afternoon states

that

that "the new cabinet" has resigned and that martial law is being proclaimed in Tokyo. In the light of these latest items of news, it is difficult to say in what direction the situation may further develop. However, the coup itself may be regarded as simply another incident in an effort which has been going on for several years on the part of an element in the military organization toward making the voice of the military organization completely authoritative in the affairs of the state.

file

DEPARTMENT OF STATE
OFFICE OF THE ECONOMIC ADVISER

~~SAS~~
S
FE
TA

June 25, 1936.

CONVERSATION:

Mr. Seijiro Yoshizawa, Counselor,
Japanese Embassy,

Mr. Dooman,
Mr. Veatch.

Shell Japan

Assistant Secretary
of State

JUN 29 1936

MR. SAYRE

SUBJECT:

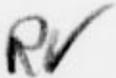
ARRIVALS OF JAPANESE COTTON PIECE GOODS IN
THE PHILIPPINES

At Mr. Sayre's suggestion, the attached table of arrivals of Japanese cotton piece goods in the Philippines for the first ten months of the limitation period under the voluntary agreement with the Japanese was handed to Mr. Yoshizawa. At the same time his attention was called to the fact that the total for ten months of the agreement was in excess of 44,000,000 square meters whereas the absolute maximum for twelve months provided for by the agreement was only 49,500,000 square meters. If arrivals of Japanese goods in the Philippines in June have continued at approximately the same rate as in May, then the maximum annual quantity would be reached by the end of June and presumably the Japanese exporters would have to take some special action to prevent an excess.

Mr.

Mr. Sayre was much concerned over the figures for May, which were considerably above those for April and created the danger of arrivals being considerably in excess of the maximum provided for in the agreement. It was his hope that no development would raise the question of continuance of the arrangement for the second year provided for in the original agreement. Furthermore, the Philippine Legislature is now in session, and in view of the fact that certain elements in the Philippines have been critical of the agreement and have been very ready to charge that the terms of the agreement have already been evaded by the Japanese, it is especially important at this time that the agreement should appear to be working satisfactorily.

Mr. Yoshizawa recognized the importance of these points. He said, of course, that no conclusion had ever been reached regarding the controversy between the two Governments over the question of transshipments of Japanese goods via Hong Kong. He would bring these figures to the attention of his Government, however, and would convey at the same time the concern of this Government over the situation.


EA:RV:EB

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ARRIVALS OF JAPANESE COTTON PIECE
GOODS IN THE PHILIPPINES

<u>Period</u>	<u>Total arrivals of Japanese goods from Japan and Hong Kong</u> Sq. meters	<u>Direct from Japan</u> Sq. meters	<u>From Hong Kong</u> Sq. meters
August 1935	5,648,200	5,648,200	--
September "	6,329,900	5,805,900	524,000
October "	7,681,300	7,033,300	648,000
November "	5,382,600	5,382,600	--
December "	517,000	517,000	--
January 1936	143,000	39,000	104,000
February "	5,399,000	4,504,000	895,000
March "	4,026,000	2,581,000	1,445,000
April "	3,720,000	2,107,000	1,613,000
May "	<u>5,190,000</u>	<u>3,282,000</u>	<u>1,908,000</u>
10 months	44,037,000	36,900,000	7,137,000