Alaska Fishery Situation - Statement to be suggested by Ambassador Grew and if accepted to be published.

"As a result of discussions between the American Government and the Government of Japan in regard to the fishing activities of Japanese nationals in the off-shore waters of Alaska, especially fishing operations in the Bristol Bay area reported during the past fishing season, the Japanese Government has given, without prejudice to the question of rights under international law, assurances as follows:

1. That the Japanese Government is suspending the three-year salmon fishing survey which has been in progress in waters of Bering Sea and Bristol Bay.

2. That fishing by Japanese vessels is not permitted without licenses from the Japanese Government; that the Japanese Government will refrain from issuing licenses to fish for salmon in Alaskan waters; and that in order to make effective this assurance the Japanese Government will, in the event that conclusive evidence is presented that any Japanese vessels engage in salmon fishing on a commercial scale in the waters in question, cancel such licenses as they may hold to engage
engage in crab-and other fishing. The Japanese Government affirms in this connection that if Japanese nationals have in the past taken salmon in commercial quantities in Alaskan waters such fishing has been without the knowledge of the Japanese authorities.

The Japanese Government has given these assurances with the object of collaborating with the American Government in its efforts to conserve and protect the Alaska salmon fishery resources, and in consequence of the Japanese Government's desire to avoid and remove cause for the apprehension of American fishing interests and the American public with regard to Japanese fishing activities in the vicinity of Alaska.

Discussions in regard to measures for the protection of Alaskan fisheries have been conducted by the two Governments concerned in a friendly manner, both Governments having been desirous of removing from the Alaska fishery situation a possible source of disturbance to Japanese-American relations. The assurances given by the Japanese Government will be regarded by each Government as regulating the situation until such time as the problems involved may call for and circumstances may render practicable the taking of other measures."

In addition, the following to be published:

The American Government will continue to give constant and practical attention to the question of the

Alaska
Alaska fisheries and of means which will insure the protection and perpetuation of the highly important food resource and industry involved. To this end the fullest possible collaboration of the appropriate agencies of the Government will be utilized. In accordance with this objective, and for the general purpose of removing cause for apprehension on the part of American fishing interests, the Bureau of Fisheries and the Coast Guard will be charged with the duty of extending their observations of fishing activities in Alaskan waters.
A portion of this telegram must be closely paraphrased before being communicated to anyone. (E)

Tokyo

Dated February 13, 1938

Rec'd 10:05 a.m.

Secretary of State

Washington.

104, February 13, 2 p.m.

(GAY) Our 92, February 9, 8 p.m., Alaska Salmon fisheries.

One. Last night Yoshizawa handed us the statement in writing referred to in paragraph three of our telegram under reference. The following translation was made jointly by the Embassy and the Foreign Office:

"The Japanese Government adheres to its previous contention that fishing on the high seas is not subject to any restriction.

However, in view of the fact that investigations in Bristol Bay by a Japanese Government survey vessel for salmon fishing have created misapprehensions and have agitated public opinion in the United States, the Japanese Government will suspend such investigations notwithstanding the fact that the three year program would extend such other investigations into 1938. Furthermore, it has been the practice in the past not to issue licenses to those vessels which desired to proceed to Bristol Bay for
for the purpose of salmon fishing, which practice the Japanese Government will, on its own initiative, continue for the time being".

Two. With reference to the word "suspend" and to the phrase "for the time being" Yoshizawa stated that they did not signify that the Japanese Government definitely plans at some future time to reopen the issue but that they reflect the determination of the Japanese Government to make no concession with regard to the principle involved which would of course be prejudiced if unqualified assurances were given. With regard to the fishery survey he explained that the balance of the appropriation made for that purpose will have to be returned to the fiscus and will therefore no longer be available after the conclusion of the present fiscal year. In the Japanese text "suspend" was inserted to replace the word "discontinue" which was crossed out and the phrase "on its own initiative" was interpolated. Yoshizawa said that these changes were made at the insistence of the Ministry of Agriculture whose recent change of attitude was previously reported.

Three. Our negotiations with the Japanese have produced the following results.

(a) No licenses for salmon fishing will be issued
"for the time being";
(b) The fishery survey will be "suspected";
(c) Licenses to crab and fish to further vessels will be canceled if conclusive evidence is presented that they have been fishing for salmon on a commercial scale;
(d) The Japanese Government agrees to publication of the foregoing on condition that the text is previously referred to Tokyo for consideration. (END GRAY)

Four. These results do not altogether meet the desires of our Government. However, they are important, they provide the basis for a provisional settlement of the issue and they represent in our considered judgment the maximum concessions which the Japanese Government is prepared to make at this time.
Secretary of State,
Washington.

92, February 9, 8 p.m.
Department's 45, February 7, 6 p.m., Alaska salmon fisheries, CONFIDENTIAL.

One. On February 5, we pressed Yoshizawa for an early and favorable reply to our representations of January 25 and 26. Yoshizawa said that press reports of intemperate statements made in the United States during the hearings on the Dimond Bill have aroused much feeling in Japanese official circles; that the Ministry of Agriculture which has previously been cooperative is becoming intransigent; and that the possibility is being considered of the Japanese Government issuing a statement to the press to the effect that the Japanese Government has taken a most conciliatory attitude.

Two. Today Yoshizawa called Doorman to the Foreign Office and said that he was now in a position to give an official reply to our representations.

Three.
-2- #92, February 9, 8 p.m., from Tokyo.

Three. With regard to sub-paragraphs (a) and (b) of paragraph three of our 54, January 26, 6 p.m., he said that the Japanese Government would grant no licenses for salmon fishing and would discontinue its fishery survey but that it would not (repeat not) agree to the publication of any statement calculated to give the public the impression that the Japanese Government in giving such assurances had permanently renounced its rights under international law to fish anywhere on the high seas.

Yoshizawa said that the assurances which have been given reflect a policy of the Japanese Government to avoid and to remove any cause for apprehension by the American people on the score of Japanese fishing operations in Bristol Bay but that it could not afford to prejudice its rights in principle. He said that he would shortly give us in writing a statement of his Government's position on this point.

Four. With regard to sub-paragraph (c) he stated that the Japanese Government could not in any circumstances extend the right of friendly search. If, however, indisputable evidence is presented that the Japanese crab and fish meal vessels are fishing for salmon the Japanese Government is prepared to consider the cancellation of the licenses.
licenses issued to these vessels on the two grounds of making effective the assurances referred to in the preceding paragraph and as penalty for violation of the terms of the licenses.

Five. Yoshizawa confirmed his previous statement with regard to the question of the issuance of a public statement by the American Government. He repeated that the statement is to be referred to the Japanese Government prior to publication.
MEMORANDUM FOR THE PRESIDENT:

In relation to our discussion as to the Japanese troops employed, I have the honor to attach herewith an estimate by the Army Military Intelligence Division that shows, in effect, as of April 15, 1938:

Japanese Troops in China proper .................. 483,000
Japanese Troops in Manchoukuo ................... 412,000
Reserves in Japan proper .................. 192,000
Total men ........ 1,085,000

The strength of the Japanese division is 18,000 which is, fortunately for me, exactly my estimate as to this strength.

Very respectfully,

EDWIN WATSON
Colonel, F. A.,
Military Aide to The President.

Incl.
WAR DEPARTMENT
WAR DEPARTMENT GENERAL STAFF
MILITARY INTELLIGENCE DIVISION, G-2
WASHINGTON, D. C.

May 9, 1938.

MEMORANDUM FOR COL. E. M. WATSON:

Subject: Distribution of Japanese Troops.

1. The tabulation below shows the Japanese strength in China and elsewhere. While accurate figures are unobtainable for obvious reasons, the tabulation is a reasonably conservative estimate of the Japanese distribution. There are numerous recent reports of Japanese reinforcements for North and Central China from Manchoukuo and Japan, but these lack confirmation.

North China (Inner Mongolia, Shansi, Hopei, North Honan and Shantung):

11 Divisions @ 18,000
Non-Divisional Units
Total

18,000
43,000
241,000

Central China (Shanghai--Nanking--Hangchow Area and South Lunghai Front):

9 Divisions @ 18,000
Non-Divisional Units
Total

18,000
80,000
242,000

Total in China Proper: 483,000

Additional Japanese Troops on the Asiatic Mainland and Formosa:

Manchoukuo

18 Divisions @ 18,000
Non-Divisional Units (including Railway Battalions)
Total

216,000
135,000
351,000

Korea

3 Divisions @ 18,000
Non-Divisional Units
Total

54,000
1,500
55,500
Taiwan

Non-Divisional Units  5,500

Total in Manchoukuo, Korea, Taiwan:  412,000

Japan Proper:

10 Divisions @ 18,000  180,000
Non-Divisional Units  10,000

Total  190,000  190,000

Recapitulation:

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<tr>
<td>China</td>
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<td>Manchoukuo, Korea, Taiwan</td>
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<td>Japan Proper</td>
<td>190,000</td>
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<td>GRAND TOTAL</td>
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2. Mobilization of Japanese troops was resumed about April 15 after a period of several months' quiet. There is no information as to the extent of this new mobilization.

E. R. W. McCABE,
Colonel, General Staff,
Assistant Chief of Staff, G-2.

DECLASSIFIED
DOD DIR. 5200.9 (2/27/58)
Date: 2-20-76
Signature:

CONFIDENTIAL
June 28 [1939]

WAR DEPARTMENT
OFFICE OF THE CHIEF OF STAFF
WASHINGTON D.C.

My dear Mr. Fish,

This is authentic and interesting. I am not.

Sincerely yours,

[Signature]

*Top Confidential*
From: Washington (Saito)
To: Tokyo
June 28, 1938

#346. Re your #168*:

1. The set-up of the policy propaganda of the Roosevelt Administration:

   A. In this country, because of its peculiar ideology, much importance is attached to propaganda. As you know, whether it be in political or industrial circles, much money and effort is expended in propaganda work. Since Roosevelt was elected and inaugurated, the so-called "New Deal", the new activities carried on by the Government have increased prodigiously, and simultaneously the administrative framework of the Government has expanded remarkably. (Of the present 80 administrative branches, at least 30 were established since Roosevelt took office.) Thus, there is a great necessity that the Government have its policies well understood by the people and gain their support. It has specialized on propagandizing the "New Deal". The propaganda work established formerly in such Departments as that of State and Treasury is stable and carried on by a limited number of agencies, but those of the "New Deal" are sundry and ramified, each having its own peculiar phases of propaganda to attend to. Compared with the older agencies, these have risen to a staggering number.

   B. Let me outline for you the more important of these organs according to their propaganda work:

* See S.I.S. #2000
C. After Roosevelt entered his second administration last year, for a time he considered a plan for combining these sundry governmental propaganda organs, founding an "Office of Information", having this organ assume combined propaganda duties, having it limited to persons of remarkable technical and specialized training, and letting them do the work of all the administrative sections. However, after due deliberation, it was decided that:

(a) Administrative activities are comprehensive and legion, and it would be a practical impossibility to have a single organ effectually propagandize them.
(b) The inauguration of a thorough-going propaganda department would cause the people wrongly to conclude that the Government means to limit freedom of speech and press, become totalitarian, and copy the Propaganda Departments of Germany and Italy. If there is anything Roosevelt fears, it is just that. He fears lest he give those who have criticized him as a destroyer of American traditions and an aspirant for dictatorial powers another chance to condemn him.

(c) If a single organ were organized, it might monopolize and naturally incur the displeasure of newsmen and the like.

Therefore, the matter was dropped.

D. That is how the establishment of a single propaganda organ came to be cut short; however, the whole duty of hearkening to the popular pulse concerning the government's policy and activity was placed upon the shoulders of the "National Emergency Council", abbreviated into "N.E.C." and this has been quite effective. At first the "N.E.C." was organized to coordinate and render more efficient the numerous random agencies founded since the beginning of the "New Deal", but now it has been transformed totally into an organ for guiding public opinion with reference to governmental policies. It has come to be called "The Eyes and Ears of the President". Two organs, namely, the "Division of Press Intelligence" and the "U.S. Intelligence Service" have been placed under the direction of the "N.E.C." The former straddles the whole nation and follows newspaper and magazine articles and editorials concerning the policies of the Government. In order to counterbalance the effects of these, it publishes the daily "Press Intelligence Bulletin"
and the weekly "Magazine Abstracts". The latter furnishes all questioners save newspapers and magazines with information about the policies and various activities of the Government. In order to supplement this work, it publishes the "U.S. Government Manual".

E. Each propaganda organ employs specialists in their line, most of whom are press graduates. They are well treated and well paid, receiving from six thousand dollars per annum up, so I hear.

2. Methods of Publicity:

A. The Press. Newspapers are considered the most important channel of publicity. The President, the Secretary of Treasury Morganthau, and Secretary of Interior Ickes have a press conference twice every week, and Secretary of State Hull has his daily. The other officials also have press interviews at different times. Above all, the President's press conference is considered most important. There are three "Secretaries to the President" and out of these one specializes in meeting newspaper men. This office is at present held by Stephen Early, a veteran newspaper man.

Most of the news related to the Government take the form of "handouts" to newspaper companies and news agencies. The N.R.A. gave out in one year's time as many as 5200 news items and the A.A.A., 5000 items. Besides "handouts", there is the system of giving "off-the-records" news of importance given on condition that they are not to be published.
B. Magazines: Since the beginning of the present administration, there has been a noticeable increase in the number of important officials who write articles for the magazines and these articles have appeared in such widely read popular magazines as the Saturday Evening Post.

C. Advertisements: The method of publishing advertisements in various magazines and newspapers with a view to publicizing government activities is also generally used. Also such relief agencies as the W.P.A. and the P.W.A. have been advertising their work at their respective places of work.

D. Motion Pictures: Motion pictures are also used extensively for propaganda purposes. For example, the Department of Agriculture, the Department of Interior and the Federal Housing Administration seem to have many motion picture films made and these they supply to the ordinary theatres. The government also by extending all sorts of conveniences to the motion picture producers, such as those in Hollywood, endeavors to give publicity to its activities.

E. Radio: Although radio broadcasting stations are all privately or corporation owned, the various government agencies are free to use them. For example, the Department of Agriculture broadcasts "Farm and Home" program at a fixed hour every day over the N.B.C. network. Speeches by important members of the government are frequently broadcast. Especially the President speaks directly to the people in an informal way about important government policies in what is called a "Fireside Chat" and in this way makes very effective propaganda.
3. Propaganda Expenditure:

Inasmuch as a law passed in 1913 states that no funds shall be expended for propaganda except in case they are for government propaganda, much of the publicity expenditure of the government is not made public, and consequently it is not easy to get figures. Nevertheless, the direct cost of government publicity may be very conservatively estimated to be around 4--4 dollars a year. Of this sum, the following figures are known:

A. The budget (for the fiscal year) of the Information Bureau of the Department of Agriculture is about 1,250,000 dollars.
B. Salary of the propaganda personnel 800,000 dollars.
C. (1) arranging radio programs 150,000 dollars.
   (2) cost of making motion pictures 300,000 dollars.
D. N.E.C. budget one million dollars.

4. Criticisms against Government Propaganda:

That the Roosevelt Administration expends much effort for publicity is clear from what I have already pointed out. Especially does the President attach great importance to publicity and pay considerable attention to contacting newspaper men and others. This has caused all sorts of criticisms to be hurled at him. As for instance, that the President is endeavoring to attain his dictatorial ambition by misleading the people by virtue of his personal popularity and propaganda; or that for the President and his men to give "off-the-record" information to the press is only a trick to seal in advance any publicity that
may be unfavorable to the Administration; or that "handouts" made by the various governmental agencies are a means of issuing only those news that are favorable to the Administration and that is, in fact, a way of exercising control over information; or that it is not right to waste the nation's money on propaganda.

These criticisms seem to have been spurred on by the failure of the "New Deal" policies, which have suffered a set-back on account of the severe depression prevailing since last year, and also by such questions as the reorganization of the Supreme Court, etc., (as for example, an attack was made on Roosevelt's propaganda methods by Frank Knox -- on the staff of the Chicago Daily News -- at the meeting of the National Editorial Association held on the 22d).

5. As for literature on the subject, I am sending you "Washington Correspondents" published last year and written by L. C. Roster. For magazine articles, etc., on the subject, please refer to the bibliographical list given in the book.
In the current public protest against Japanese aggression in China, one of the chief recommendations for concerted disapproval of the Nipponese has been the boycott, particularly of raw silk. Japan is dependent on exports for a substantial portion of her national income. 80-85 per cent of the world's commercial supply of raw silk is produced by Japan and the vast bulk of this costly fiber is shipped to the United States, which consumes from 75-80 per cent of the world's commercial supply.

Heading the list of the principal commodities imported by the United States, and far in front of all other items, are coffee, sugar, rubber, and raw silk. Of the first three, as of many import items, it can be said that climate or other natural limitations prevent their production either entirely or at least in sufficient quantity in the United States. We are compelled by Nature to depend on imports. With raw silk the situation is quite different. Raw silk - which encompasses mulberry trees, silk worms, and cocoons - can be produced quite satisfactorily almost anywhere in the United States. Following on that statement of fact the following points are elaborated in demonstrating, first, why the United States should establish its own sericultural (raw silk producing) industry, and, secondly, that the opportunity to do so is beckoning with open arms.

1. Raw silk is indispensable to the United States for certain national defense purposes of increasing importance.
2. No satisfactory substitute has been developed for raw silk in its major commercial use in this country.
3. The United States is now totally dependent on foreign sources of raw silk - Japan, China, Italy, and France. Our payments to foreign countries for raw silk have totaled over 5 billion dollars in the last twenty years.

4. Raw silk can be produced satisfactorily almost anywhere in the United States.

5. Raw silk is not produced commercially in the United States chiefly because of inability to compete with foreign labor costs.

6. Inability of the United States Federal and State governments to find constructive occupation for their large and growing prison population without producing a serious conflict with private industry has become so acute a problem that there has been established a Prison Industries Reorganization Administration to investigate useful projects and to recommend loans to carry out such projects.

7. Establishment of sericulture in the United States would provide an important new basic industry, with a product that is essential for national defense. This is a perfectly feasible project, which has not been commercially practical for private industry because of labor costs. Sericulture could readily be established in the United States with the employment of prison labor, helping to solve that urgent social and economic problem without presenting any conflict with private industry.

Silk is vital for certain military purposes. These are for parachutes and for powder bags. Silk fabric in parachutes has the advantages of
lightness with strength, providing just the porosity required for safe landing while insuring freedom from ripping when the full impact of the opening chute is felt. Its elasticity, moreover, facilitates and accelerates the moment of opening, precious seconds that may be the difference between life and death for an aviator. Many years of experimentation have not developed a safe substitute for parachute silk. Cotton and rayon, for example, would need be much heavier to attain equal strength and they tend to rip at the first impact of opening, but their most serious drawback is tardiness in opening.

Powder or cartridge bags are most satisfactory when made of silk waste, although experiments have developed a bag made of cotton waste which might be substituted in a pinch. Silk is classed as an animal fiber and as such reacts to burning as hair does; that is, it does not sustain a flame or an ember as do cotton, rayon or other cellulose fibers. Because of that characteristic, silk has the definite advantage in cartridge bags of minimizing the possibility of premature or accidental explosions in the rapid firing of large guns.

Because of these vitally important military uses for raw silk, our Military and Naval officers are continually appraising available silk supplies on which we could rely in the event that war interrupted our foreign sources. The fact that Japan, China and Italy account for about 98 per cent of the world's commercial output of raw silk does not ease the calculations of our ordnance officers.

In its principal commercial use, also, raw silk has as yet been free from successful displacement. Nearly two-thirds of the total silk poundage consumed in the United States enters the production of women's hosiery, according to the National Association of Hosiery Manufacturers. In its other
uses - dress goods, underwear, outerwear, ribbons, et cetera - silk meets serious competition from rayon, cotton or wool, but for women's hosiery it reigns supreme. The availability of a domestic source of raw silk as protection against war-time interruptions of supply should appeal to American manufacturers of silk products for commercial as well as war purposes.

These firmly entrenched uses, both military and commercial, are mainly responsible for the fact that three-fourths or more of the world's silk supply is utilized in the United States. A comparatively topnotch national standard of living has likewise been important. The result, therefore, is that since 1900 we have paid out over 6½ billion dollars for imported raw silk including waste silk and pierced cocoons. In the past 20 years, over 5½ billion American dollars have been shipped abroad to settle our raw silk account. It has been the ambition to retain that rich flow of raw silk payments to the Orient that has stimulated most of the efforts at sericulture in the United States.

Attempts at sericulture in the United States, successful though unprofitable, are almost as old as the political history of our country. The English Parliament dispatched mulberry trees and silkworms to Virginia as early as 1622, but tobacco and cotton ultimately proved more attractive. At the peak of this venture in the South about 10,000 pounds of raw silk were exported from Georgia in 1759. Then the fever for silk culture spread northward, being tried in Pennsylvania, New Jersey, New York, Connecticut, Rhode Island and Massachusetts where it was tied up with the manufacture of silk textiles - those six states today accounting for 90 per cent of the woven silk output of the United States. The speculative excitement in New England at one time carried prices on mulberry trees to as high as $500, but the
bubble burst about 1840.

Even Congress succumbed to the contagion of the silk fever and from 1884 to 1891 and from 1902 to 1908 it voted appropriations for the U. S. Department of Agriculture to investigate the possibilities. Quantities of excellent cocoons were produced in various localities and shipped at first to Washington and then, later, to New Orleans for reeling. The latest extensive effort to commercialize sericulture here was an attempt at Escondido, California, where plans were announced in 1935 for the investment of some $400,000 in land, silkworm eggs, mulberry trees, semi-automatic reels, etc. Under stress of the depression, the 350-acre silk farm was sold on judgment in 1932, bringing to a halt another endeavor to tap the stream of silken wealth yet controlled by the Orient.

Our history of sericulture is not without its humorous aspects. Some 15 or 20 years ago, one Dr. Vartan K. Osigian, self-styled silk expert from the Levant, set in motion in the United States the first step in the most amazing series of silk culture promotions ever recorded, a course which carried him successively and successfully into practically every Central American country and finally into South America. Dr. Osigian was a promoter par excellence. Between the ability of the mulberry tree and the silk worm to thrive in practically any climate he carved out for himself a glamorous career in the North, Central and South Americas, over a period of ten years or more.

Dr. Osigian selected a community to share his favors, demonstrated its ability to produce fine mulberry trees and silk worms, sold mulberry trees at a good profit to all the citizens anxious to get rich quick, and stayed around just long enough to see the trees reach their usefulness, and then pulled out to leave the community to its own disillusionment as it struggled
without experience with the advanced stages of sericulture. About that time Dr. Osigian established himself in another country, sufficiently far removed, and when ready to sell them trees he found the next preceding locations anxious to sacrifice their useless trees. Toward the last the Doctor threw in a bit of added incentive by suggesting that the worms be fed vegetable dyes with their leaf diet so as to produce pre-dyed silk. And they never caught up with him, for after all he represented the truth— as far as he went. Moreover, the authorities in each country were always glad enough to soft-pedal the cost of their experience.

In short, the stage is all set for American sericulture and the production would long since have gone on, financed by private capital, except that Oriental land values, tax rates, labor costs and other overhead are considerably lower. And that is the cue for introducing and developing the main idea of this article—that prison industry is the ideal solution and is literally begging for the opportunity to engage in sericulture. Our prisons are maintained as a social necessity. Every attempt to give them economic status has met with sad disappointment. Mainly because their accounting for labor and overhead costs is as nominal as their concern for land values and taxes, prison production—running chiefly to such staple items as work clothing, shoes, brooms, etcetera—has invariably collided seriously with private business and employment. The policy of production for their own consumption ("States’ use") has proved an inadequate solution, and, today, with the restrictions of such Federal legislation as the Hawes-Cooper and Ashurst-Sumners Acts, prison authorities are harassed to find constructive occupation for their guests.

Now there are the premises—(1) American sericulture lacks only a supply of low-cost labor, and (2) low-cost prison labor is going begging for
profitable occupation which will not conflict with established private industry. They lead to only one logical conclusion, namely: that our prison labor should be applied to sericulture for the obvious benefits of: (a) A new basic industry, (b) constructive occupation for prison industry, (c) a product which in no way competes with established private industry, (d) a product essential for defense, (e) a product with established commercial uses of major importance, (f) a product, the return on which would provide a profitable prison income.

Reeling is the point at which certain dexterity or skill is important, but reeling requires only a fractional part of the total labor needed. Planting and caring for mulberry trees, picking leaves, nurturing the silkworm in its development from the eggs of the silkmoth, feeding the worms, providing suitable accommodations for the valuable cocoons they spin after gorging themselves on mulberry leaves, stifling the pupae in the great bulk of the cocoons which are to be reeled into continuous filament raw silk, superintending the preservation of those pupae which are permitted to cut their way through their cocoons so as to develop into silkmoths which lay the silkworm eggs to perpetuate this continuing metamorphosis, winding the reeled silk, packing the filament silk or waste for marketing to American throwsters or spinners - all these and other incidental occupations are what make labor the keystone of sericulture. These occupations require no more skill than can be imparted quickly to any laboring group.

The fact that sericulture requires a great body of relatively unskilled labor readily trained, lends itself admirably to assignment of prison labor. Recent Federal statistics show a Federal prison population of around 12,000 and State prison population of approximately 125,000, not to mention county
and city incarcerations. About one-half of the Federal and State prison guests were received during the current year. Of that number approximately one-third had sentences under one year, another one-third sentences of exactly one year, and the remaining one-third sentences of two years and over. Five per cent of the new arrivals were women. Obviously, the vast majority of prison guests are comparative transients, minor offenders who could readily be entrusted to the care of mulberry tree farms and other unskilled tasks of sericulture, most of which could be conducted within guarded confines. From the substantial number of offenders sentenced to two or more years the relatively few skilled operators required for silk reeling could easily be developed.

Unable to match Belgian, Irish and other European costs, American private enterprise had stayed clear of the fiber flax industry. In 1915 the Oregon State legislature made an appropriation to establish the industry (retting and scutching the flax to produce linen fiber) at one of their penal institutions. This remained the only fiber flax industry in the United States until two years ago, when three farmers' cooperative retting and scutching plants were built in Oregon with the aid of the Works Progress Administration. The U. S. Department of Agriculture advises that: "The state mill still operates, in addition to the three private commercial concerns."
MEMORANDUM

The following extract from a personal letter received from Admiral Yarnell dated 25 November 1938 is quoted as of possible interest:

"We have noted with interest the efforts of the State Department to arrive at some solution of the Yangtze and other problems. The bald facts of the Far Eastern situation are doubtless well known in Washington and are borne in mind during the note writing proceedings. At the risk of stating the obvious, I will summarize the situation as it appears to us at this end of the line.

(a) The Foreign Minister in Tokyo can say nothing that has not been approved by the Minister of War.

(b) The Japanese Army intend to take over China, and reduce it to the status of Manchuria.

(c) In this problem all American and European interests are to be eliminated.

(d) As far as Japan is concerned, the Nine Power Treaty is dead.

(e) The above plan represents the most gigantic land grabbing scheme in the world's history to date.

(f) Japan will succeed if the other powers offer no resistance, and later on lend her money to carry out her economic plans.

(g) Note writing alone will have no effect other than to keep the record clear for posterity to read and ponder.

(h) Mr. Arita stresses the need of Japan to have raw materials within her economic setup and that it is necessary for Japan to take control of China in order to supply these materials.

(i) Since China cannot supply oil, iron ore, rubber, wool, and many other vital materials, the natural inference is that Japan will ultimately extend her domination over the Philippines, Netherlands Indies, and any other lands containing the necessary items.

(j) The Japanese economic and financial situation is not good but shows no signs of breaking at present.

(k) The populace knows only what it is told by the Government and there is no probability of a revolution.

-1-
1. Chinese effective resistance will probably be destroyed within another six months.

2. If Japan succeeds in her plans, her domination of the Far East becomes an accomplished fact.

2. The Problem confronting our Government is whether we are to be eliminated from this area, economically and in every other way, with no resistance other than that supplied by written protest, or whether we are to maintain the treaties and principles which have governed our relations with China in the past.

In case the latter plan is to be followed it must be backed by positive action.

In this action we should act in concert with the other signatories of the Nine Power Treaty.

3. The following course of action is suggested:

(a) An announcement to Japan by the United States, Great Britain, France, and the Netherlands Indies, that any settlement of the Chinese problem that does not provide for the complete independence and territorial integrity of China in accordance with the Treaty will not be recognized.

(b) No money to be loaned to Japan by any of the signatory powers.

(c) Prohibition of shipment of war materials to Japan.

(d) Strengthening of Philippines and Guam. Specifically:

   (1) Decided increase of Army and Navy aviation in the Philippines.

   (2) Increase of submarine force.

   (3) Increase of base facilities.

   (4) Increase of anti-aircraft defense.

   (5) Base increased number of cruisers on Hawaii.

(e) The other nations to increase their forces accordingly, and to take similar measures.

(f) For every note written, there should be some increase of our strength in the Far East.
4. It is only by such means that respect will be obtained for our diplomatic efforts. Japan at present is in a dangerous position with respect to her campaign in China. She has a million men in China who must be supplied from overseas. Any threat against this line of communication by a competent and ample force would vastly increase her difficulties and probably bring about a collapse of the Chinese campaign. She also depends on free communication with foreign countries for many of her necessary war materials. Any threat against these lines of communication will have a profound effect on her attitude of mind regarding the settlement of the present controversy."

15 December 1938
MEMORANDUM

Attached clipping from the Japan Advertiser of 1 November 1938 is a translation of a radio talk made by Colonel Sato, Chief of the Information Bureau of the Japanese War Office.

It seems to be a very frank statement of the present and future plans of the Japanese Army.

W.W.H.
HANKOW VICTORY IMPORTANT

With China's Last Vital Spot Captured, Japan Must Enter New and Not Less Arduous Constructive Phase of Campaign

BY COLONEL KENNY SATO

Following is a translation of the radio speech made last Wednesday by Colonel Kenyo Sato, Information Bureau of the War Office.

In order to clarify the significance of the Hankow victory, it is necessary to render clear the meaning of the China Incident as a whole. Since the Dual Agreements are planned and directed in accordance with the existing "arms of war", they naturally vary according to the aims of the war, which penetrate through the essence but not the surface. In regard to the question how the campaign of the present Incident should be planned, I think that there are two ways of thinking. One way is to extend the occupation of the five provinces of North China, or Hankow, and to consolidate the Japanese position in that place, extending it to occupation of all Chinese territory when Japan is in a position to enforce that change.

This is a method which we call total occupation. The other way is the one being taken by us now: occupation of all strategic points, with the aim of completing the total occupation with a year or two.

Would Be更好 Method

The former method is to take as much territory as possible and consolidate its position by political, economic, and other peaceful methods. The latter is to take at once and then consolidate by military occupation.

The first method is, in my opinion, better from the standpoint of international law and would be easier to carry out.

In the case of China, however, the frontier line between the two nations is not clear. The Chinese are in a hurry to establish a line of demarcation between China and Japan, but they are not in a hurry to consolidate their position by any method.

China Won't Become Colony

Here I must note that there has been a change in the attitude of the Chinese government. At the beginning of the campaign, the Chinese government was not ready to be a colony, but now it is.

China has not adopted this easy way because its purpose is not the conquest of China, but the establishment of a protectorate. This is, in my opinion, the best method of dealing with the situation.

Erroneous Doctrines of Chiang

Beneath demands that the Chinese and Japanese should prepare to co-operate for mutual prosperity and not continue their war. But this is impossible, as we are not yet in a position to turn it into Japan's territory. If the Chinese are really prepared to co-operate, I think that the method best suited to the situation is the establishment of a protectorate.

It is not enough to prevent China from entering a protectorate. The Chinese must be made to understand that the Chinese are not a colony, but a protectorate.

Have Only To Sit Tight

Since now Japan has taken all the provinces of China, there is no longer any need to attack in order to obtain more territory. We have only to sit tight and do nothing else.

The significance of the Hankow and Shanghai occupations is that Japan has now completed the first stage of its occupation of China and will now begin the second stage, which will be the occupation of the rest of China.

Colonel Kenyo Sato
This means that in conducting the present operations, Japan must strive to bring all of China to turn from its obsession of anti-Japanese and Communism-admitting policy to a policy of amity with Japan and defence against the Comintern. For this purpose the vital spots of China must be temporarily held until China undergoes a change of heart. This is the obvious step to take if Japan is to assure that no such catastrophe as the present Incident should recur in future.

Many Vital Spots

What, then, are the vital spots in question? A modern State, in general, always has a single vital spot constituting its heart but as China is not a completely modernized State, it has many vital spots to take into consideration. Peking, Tientsin, Tsingtao, Shanghai, Nanking, Canton and Hankow are the seven principal cities of China all vital to China’s existence and welfare. Also the Mongolian region must be taken into account as a front important for defence against Communism.

From these considerations it was seen that the work necessary in the first phase of the China Incident was to take these vital spots of China with the greatest possible speed. After reducing Peking, Tientsin, Tsingtao, Shanghai, Nanking and the Mongolian region, Hankow and Canton remained. The significance of the Canton and Hankow campaigns lay in placing these two remaining vital spots of China under control. This is putting the whole matter into a nutshell but I wish to explain the significance of these two operations in more detail.

Since the Lukowkia affair of July 7 last year, Japan had stoutly maintained a policy of non-expansion and local settlement of the trouble. As this was rendered impossible by the Chinese attitude, Japan sent an expedition to Shanghai and so entered a phase of general warfare between China and Japan. The Government issued a statement on August 15. If Japan intended to declare war on China that was the time for it. Thus the statement was a manifesto which took state something of my views on the problems of the future.

After the battle of Sekigahara, Iye-yasu Tokugawa carried on the Osaka campaign but at present I cannot say how the Osaka campaign will be undertaken in this case.

Aside from the question of strategy, Japan now faces a period of long-term construction.

By long-term construction I mean construction of a new and rejuvenated China. Again, it is assistance to the newly-risen regime of China for its establishment and development in total disregard of the Chiang Kai-shek regime. It is the ultimate goal of settlement of the present Incident to help the new regime build up a new and rejuvenated China.

What, then, is to be the character of this rejuvenated China? It is a China from which the reliance-on-Europe-and-America, anti-Japanese and Communist-admitting ideologies have been removed—a China with which Japan can cooperate and enter into a partnership of mutual aid.

There is in some quarters of the public the view: “You may talk about resuscitating China and about constructing a new China. But after having shed the precious blood of us people in the fields of China, what is to become of Japan and how will this new China stand in relation to our national life?”

Such doubts are natural but they can all be dispelled by the following considerations.

Liberation From Western Aggression

If the reliance-on-Europe-and-America, anti-Japanese and Communist-admitting ideologies are uprooted from China and a new China built on the solid basis of amity and cooperation with Japan and if true team work and co-prosperity among China, Manchukuo and Japan can be effected, East Asia for the first time will be liberated from Communism and other Occidental ideological aggressions and true East Asiatic civilization can be restored with added splendor. And if the centuries-old Occidental political and economic aggressions, oppression and exploitation can be extirpated and an East Asiatic

ence in the situation as a whole.

In regard to productive capacity, it is necessary that it be expanded as soon as possible so as to permit the full use of armament referred to above and so as to assure that there will be no hitch in replenishing the supply or in providing the necessary materials for the vast scheme of continental management now to be rapidly launched. The expenses this continental management entails amount to over ten billion yen for China, Manchukuo and Japan.

Armaments Must Be Expanded

The armament and productive capacity must be expanded as quickly as possible. Surveying the international situation, it is seen that the Soviet Union on its two independent fronts in Europe and Asia will complete its armament and the various European Powers will finish their additional armament or rearmament plans in 1939-42. This will be a period in which a great international crisis is anticipated, so that Japan will have to complete at least the framework of its expanded armament and productive capacity by 1942. This will require great efforts on the part of all and especially in regard to the promotion of foreign trade. It is also important to stabilize living conditions behind the guns and effect various other measures for the regulation of domestic conditions.

In order to enforce such measures, exceedingly resolute renovation will be necessary in the fields of politics, economy and administration. Naturally, a general invocation of the national general mobilization law is inevitable.

We did not anticipate the present war. But we saw that the situation was gradually growing serious and hoped that armament would be rendered adequate to meet emergencies, that productive capacity would be expanded and social policies to supplement these activities enforced with epoch making determination. We earnestly advocated the reforms in politics, economy and administration necessary for the enforcement of such policies. But such reforms as were at-
(Continued on Page 4)

(Continued on Page 5)
DEPARTMENT OF STATE
WASHINGTON

December 13, 1938

My dear Mr. President:

In reply to your memorandum of December 10, 1938, concerning the export of aircraft and aircraft engines, parts and accessories, to Japan, I have had the most recent facts in regard to these exports compiled and have set them forth below.

On June 11 of this year the Secretary, in reply to the question of a correspondent at his press conference, declared that he had made repeated public statements condemning the bombing of civilian populations from the air or its material encouragement, that he was expressing this condemnation to American manufacturers of bombing planes, and that he believed that his statements would discourage the sale of such planes to regions where they would be used to bomb civilian populations. Pursuant to this policy, the Department on July 1 addressed the attached letter to all manufacturers and exporters.

The President,

The White House.
exporters of aircraft or aeronautical supplies registered under the Neutrality Act. Since July 1 the Office of Arms and Munitions Control has conferred with a large number of aircraft manufacturers and exporters in regard to this policy, has found most of them quite willing to cooperate, and has prevailed upon the others, with one exception, to do so. The one exception is the United Aircraft Corporation which continues, in spite of repeated representations from the Department, to make large sales to Japan. In view of this fact, in fairness to the other manufacturers who are cooperating with the Department, and in order to avoid the breakdown of the policy which would result from continued violation on the part of this corporation, I have decided to include in the next regular release to the press in regard to arms exports a statement giving the name of this corporation and calling attention to its failure to conform to the Department's policy in this respect.

The almost complete success which has attended the Department's efforts to carry out this policy is made clear by the following table showing the value of aircraft, aircraft engines and parts licensed for export to Japan during each of the last six months:

June
June .................. $1,710,049.00
July .................. 1,125,492.65
August ................. 179,249.00
September ............. 78,720.00
October ................ 7,215.95
November .............. --

Three additional points should, however, be noted in regard to these exports. First, though exports licensed during these six months have declined to zero, exports actually shipped are still continuing at a fairly considerable rate under licenses issued before the Secretary's policy was announced and under contracts concluded before that time from which the manufacturers could not escape without making themselves liable to suits for damage. A rapid decline in these exports shipped will, however, soon result from the sharp decline in exports licensed. Second, exports licensed to Japan during the current month will amount to over $100,000, since the Department was obliged to issue on December 12 a license for the export of material valued at this amount manufactured by United Aircraft. Finally, it should be noted that the Department is able to enforce the Secretary's policy effectively only in regard to aeronautical
aeronautical supplies listed in your Proclamation of May 1, 1937, since only for these articles is an export license required. Nevertheless, the articles listed in that Proclamation include all complete planes and engines and all of the larger aircraft parts. The success of the policy in regard to these articles, therefore, as evidenced by the sharp decline in the value of aeronautical exports licensed to Japan, can be expected soon to reduce the export of aeronautical materials of all kinds to that country to a small, if not negligible, figure.

Faithfully yours,

Enclosure:
Letter of July 1, 1938.
In reply refer to CA

July 1, 1938

DEPARTMENT OF STATE
WASHINGTON

As some misunderstanding appears to have arisen as to the purport of the statement made by the Secretary of State in his press conference on June 11 in regard to bombing civilian populations from the air, I am addressing this letter in regard to the matter to all persons and companies registered as manufacturers or exporters of airplanes or aeronautical equipment.

In view of the fact that the Secretary's statement definitely condemned bombing of civilian populations from the air, it should be clear to all concerned that the Government of the United States is strongly opposed to the sale of airplanes or aeronautical equipment which would materially aid or encourage that practice in any countries in any part of the world. Therefore, in view of this policy, the Department would with great regret issue
issue any licenses authorizing exportation, direct or indirect, of any aircraft, aircraft armament, aircraft engines, aircraft parts, aircraft accessories, aerial bombs or torpedoes to countries the armed forces of which are making use of airplanes for attack upon civilian populations.

Should any manufacturer or exporter have already entered into contractual obligations, of which he finds it impossible to divest himself, to sell or export airplanes or aeronautical equipment, for which licenses have been issued or for which he has heretofore intended to apply for licenses, to any country which is engaged in bombing civilian populations from the air, it is suggested that he may wish to inform the Department of the terms of that contract before applying for licenses to export pursuant to it or before exporting under licenses already issued.

Very truly yours,

Joseph C. Green, Chief,
Office of Arms and Munitions Control.
My dear Mr. President:

With reference to my conversation with you on January 5, I am attaching herewith a memorandum on Mr. Matsuoka which I believe will be of interest to you.

Believe me

Faithfully yours,

[Signature]

The President,

The White House.
January 6, 1939.

Yosuke Matsuoka

Mr. Matsuoka spent his boyhood in straitened circumstances and in more or less "fighting his way" in Portland, Oregon. Following his graduation from the University of Oregon he returned to Japan and in 1904 he entered the Japanese diplomatic service, his last post abroad having been that of First Secretary of Embassy in Washington in 1914. In 1922 he became a director of the South Manchuria Railway Company and in 1927 he became vice president of that organization. In 1930 he was elected a member of the Lower House of the Japanese Diet. In 1932 he was sent to Shanghai after the outbreak of fighting there as the personal representative of the Prime Minister and the Foreign Minister to advise the Japanese army. Subsequently he was sent to Geneva as the chief Japanese delegate with regard to the Manchuria situation. The whole world is familiar with the dramatic but highly ungracious exit of the Japanese delegation from the Assembly of the League which Matsuoka led in 1933. Indeed Matsuoka is of a comparatively rough and "hard-boiled" type resembling in general attitude and manners certain of our political "bosses".

In March 1933 he visited the United States on his way
way back to Japan from Geneva. At that time he was received by several of the highest officials here but his conversations were brief and non-political. Subsequent to his return to Japan he became in 1935 president of the South Manchuria Railway Company and after the outbreak of the present conflict in China he was appointed an advisory counselor of the Cabinet.

In the early stages of the conflict Mr. Matsuoka figured prominently in the press as a proponent of the Japanese forward policy in Asia, but latterly he appears to have gone practically into eclipse possibly through having become involved in disputes with the Japanese army which has resulted in the narrowing of the sphere of action of the South Manchuria Railway Company.

It has several times been suggested that Matsuoka might become Minister for Foreign Affairs. His name has been mentioned as a possible candidate for the premiership. No indication has been apparent, however, of any imminent likelihood of his being made Premier. He is not the leader of any organized political group. He has no wide following. It is doubtful whether he would have the confidence either of the Emperor or of Prince Saionji. It seems unlikely that there was a solid basis for any affirmation that Matsuoka was the most likely "next Premier".
The Shoreham
Washington, D.C.
March 10 1939

Dear Mr. President,

Thank you for your kindness and friendship during all my husband’s term of duty in Washington and especially during his illness and after his sudden
death. Thanks for sending the messenger and the beautiful flowers which Mrs. Roosevelt sent to me and to the funeral and thanks most of all for the Warship to take my husband’s ashes back home.

I can not express my appreciation of the honor.
you gave him which I never dreamed of. It is not only great honor for my husband and his family but our nation too.

He is gone but I am sure he is very happy that he died in this country which he loved so much and where he had so many
friends. My husband felt and feels from the other world his friendship for you that will never change.

I am leaving your country very soon with my two children but I too will never forget your kindness and true friendship for my husband and myself.
I am also writing to Mrs. Roosevelt whose kindness to me has been always so gracious. I was very much touched and was greatly honored that Mrs. Roosevelt came to see me before she left for the West.

In taking my leave I send you my heartfelt good
wishes for your personal welfare and happiness and also my best hopes and wishes for your country and people whom I and my children love.

Your sincere friend

Mrs. Saito
The Shoreham
March 23rd 1939

Dear Mr President
and Mrs Roosevelt,

Before I leave Washington I want to express my appreciation once more for what you and your government have done for my husband.
The wreath you sent to the Embassy to be placed on the Astoria was very beautiful and will be the only wreath near by my husband's shrine while on the warship. I thank you very much.
Another thing the ceremony at Annapolis was most impressive and beautiful which I and my children can never forget. Three of us want to say goodbye to you both with appreciation and respect. Most sincerely, Santo
Dear Mr. President,

Thank you for your kindness and friendship during all my husband's term of duty in Washington and especially during his illness and after his sudden death. Thanks for sending the messenger and the beautiful flowers which Mrs. Roosevelt sent to me and to the funeral and thanks most of all for the warship to take my husband's ashes back home.

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In taking my leave I send you my heartfelt good wishes for your personal welfare and happiness and also my best hopes and wishes for your country and people whom I and my children love.

Your sincere friend

Miyo Saito
My dear Mr. McIntyre:

There is enclosed herewith a copy of a note dated March 21, 1939, from the Japanese Ambassador expressing his appreciation for the honors extended by this Government to the late former Japanese Ambassador, Mr. Hirosi Saito.

Sincerely yours,

Enclosure:
Copy of a note.

The Honorable
Marvin H. McIntyre,
Secretary to the President.
JAPANESE EMBASSY
WASHINGTON

March 21, 1939.

No. 58

Sir:

Deeply appreciative of the unprecedented honor extended by your Government to the memory of my late distinguished predecessor, Mr. Hiroshi Saito, I have the honor to express to you my sincere thanks for this gracious gesture shown at the departure of his remains from this land on Saturday last.

May I ask you to be good enough to convey to the President of the United States, to the Secretary of the Navy of your Government, to the Superintendent of the United States Naval Academy, and to the Chief of Staff of the United States Army my high appreciation of their participation in this singular mark of respect shown to my countryman.

Accept, Sir, the renewed assurances of my highest consideration.

KENSUKE HORINOUCHI

The Honorable Sumner Welles,
Acting Secretary of State,
Washington.
Mr. Chairman and Gentlemen:

Without apology I am going to read rather than talk, for many reasons, chiefly to ensure accuracy, but also to save your time from what otherwise might well be a rambling discourse. I have had to make well over a hundred speeches in Japan and, according to Japanese custom, they have nearly all been read. It is a habit which I heartily endorse from the point of view both of speaker and audience.

First of all, I thank you for your hospitality and for the privilege of speaking to you today. Secondly, I venture to make a plea. On our way home from Japan I made a resolution. I was frankly tired. Not from overwork, dear me no. We had plenty of it, sometimes night and day, but there's nothing healthier than good hard, engrossing work. A recent press article cynically spoke of me as a sort of diplomatic slave-driver who drove his staff for seven hours a day. When I think of our days of work which sometimes lasted from 8 in the morning until 1 or 2 o'clock the next morning, and occasionally all night, you will I am sure forgive a fleeting smile. But that work was congenial and welcome. I think it was the psychological strain of the years of responsibility, plus our normal reaction to what was going on next door in China, that brought about their cumulative effect. Things like the rape of Nanking and the massacre of undefended populations by indiscriminate aerial bombing, to say nothing of the constant jeopardizing of American lives and the damaging or destruction of
American property next door, cannot fail to react on one's moral consciousness. At any rate, my wife and I were pretty well exhausted when we left Tokyo and my resolution was to make no speeches at home. I wanted nothing but to lie on sunny beaches and to recline amid "the murmuring pines and the hemlocks" and to try to forget for a little while the horrid world we live in.

Well, you know the usual fate of resolutions. Speak I must and will, but this is my plea. I have the choice of talking platitudes or of saying things which, if published, might make my future work in Japan difficult if not impossible. They even have a way of bumping you off in Japan if they don't like your views. There are always a good many fanatics around who would welcome the opportunity of creating a show-down with the United States, and a few years ago, following the Stimson notes, they had Cam Forbes, my predecessor, on their deathlist in one of their periodic purges, but fortunately he happened to be away from Tokyo at the time. I have always felt that the young officers who bombed and sank the PANAY had just that end in view, although of course it cannot be proved. At one time I was accompanied, most unwillingly on my part, by a bodyguard of Japanese detectives even when playing golf. I haven't the slightest desire, in spite of the honor involved, to return home next time on a Japanese cruiser, feet first. But I won't talk platitudes. So, by the process of elimination,
elimination, I beg that whatever I may say today
will be regarded and treated as "off the record",
confidential and not to be published. My thanks
to you in advance.

The third thing I have to say is this. I know
pretty well the depth of feeling in our country against
Japan. That feeling is fully justified if it is aimed
at those, chiefly the military caste, who are responsible
for the utter brutality of the campaign in China. Those
people have outdone the Huns in barbarity and savagery.
From that point of view I myself am as anti-Japanese
as anyone in America could possibly be, perhaps more
so because I have been nearer the events. The Japan-
ese Army has cast a blot on the Imperial escutcheon
which it can never live down. I wrote to a friend in
the State Department last year: "If we in Tokyo were
not surrounded by gentle, high-principled Japanese who
deplore what is going on in China today quite as much
as we do ourselves, and even more, because it involves
their own honor, I should find it very difficult to stay
at this post." Three years ago when I was in the United
States the general attitude of the American people could
be expressed in the light refrain:

"How friendly is the Japanese....."

But that was before Shanghai, Nanking and Chungking.
We can no longer look at these things in any light vein.

This is said by way of preface because, if you get
the impression that I am holding a brief for Japan, you
will be perfectly justified in discounting everything
that
that I may say. You may get that impression anyway, because I rather doubt if public opinion in the United States is just now in a mood to hear anything good about Japan whatsoever. Yet we Americans are generally fair-minded, and if there are two sides to a case, we are generally willing to hear both sides before condemning. With regard to the methods employed by the Japanese, with regard to the barbaric cruelty and mediaeval savagery of which their army is guilty in China today, there is and can be only one side; for those ruthless, inhuman acts there is and can be no extenuation, no acceptable palliation. Civilization's unmitigated condemnation is here overwhelmingly justified. These things have made us in Tokyo sick at heart, as they have made many of our Japanese friends sick at heart too. So if I try to paint an objective picture, let us agree in advance that this element of the scene is a picture all by itself, whose face we would prefer to turn to the wall lest its terrible aspect poison our judgment of the merits of the scene as a whole. To the scene as a whole there are two sides, both worthy of examination.

In this connection, it may be of interest that on my very first day in Tokyo seven years ago I called my staff together and said that of all the difficulties that we might encounter in our work in Japan, the greatest difficulty, as I foresaw it, would be to keep our judgment on an even keel, objective, unbiassed, unprejudiced. Above all else we must work for that; unless
unless our observations and analyses were objective and uninfluenced by personal bias, we might just as well pack up and go home because our reports would be worthless. We must be neither pro nor ante anything, except pro-American every moment of the day. I think we have succeeded in maintaining that essential equilibrium.

And now to paint the picture.

Last year an American business man, a friend of mine, who had lived for many years in Japan, was called home by his firm for consultation and in the first meeting with his directors he was asked to explain the situation in the Far East. To their consternation he replied: "I can't do it; I don't know." "What", shouted the President, "Why do you suppose we've kept you out there for fifteen years? If you don't know, who does?" "No", was the reply, "I don't know. But ask any of the returning tourists. They'll tell you."

That story is very much to the point. So many people who visit the Orient are prone to jump too quickly to conclusions from some chance remark or from some irrelevant observation. Many people believe that Japan has been and is on the verge of a financial and economic breakdown, but that is largely a case of "wishful thinking" for there is no present indication of such a development. The Germans were in far more straightened circumstances during the war years that we spent in Berlin. An officer who not long ago passed
passed through Japan on his way to China reported in Shanghai that he had observed visible evidence of such a portending collapse, but upon investigation it was found that his estimate had been based upon a few hours' conversation with the small shopkeepers in Yokohama.

In reply to the same question as to the situation in Japan, I could readily give the same answer as the American business man. I have lived in Japan now for seven years, long enough to have got beyond the tourist stage and to realize that I couldn't tell you with any accuracy the situation in Japan today. Nor could any Japanese tell you, not even the Prime Minister himself. And the truth of that assertion lies in the patent fact that Japan itself is a country of such heterogeneous elements and such divergent forces that most of the time the right hand does not know what the left hand is doing, nor is the mind, namely the Government, able with any certainty to control the actions of either hand. That is why I have learned never to try to predict what is going to happen in Japan. There are too many imponderable elements to justify prediction.

A few years ago, at the time of the invasion of Manchuria, Baron Shidehara, the Foreign Minister, gave our Ambassador explicit official assurances that the Japanese troops would not advance beyond a certain line, yet reports soon showed that the army, even at the moment that those assurances were being given, had advanced far beyond the line in question. Shidehara was
was acting in perfect faith; he simply didn't know.

A few months ago Mr. Arita, the present Foreign Minister, said to me: "Your Government and the American people do not seem to understand our policy in China which I have so carefully tried to explain." I smiled sweetly and took from my pocket a sheet of paper. "Mr. Minister", I said, "Here is a single brief paragraph taken from a statement which you made the other day to the press in which I have underlined with a red pencil six separate instances in which you have qualified with nebulous phrases the statements which you intended should set American anxiety at rest. 'The open door in China will be scrupulously maintained', you say, 'so far as that principle accords with our present program'. Here again you say: 'American rights and interests will be respected within reasonable bounds'. And so on. How can you expect the American Government and people to derive assurance from statements so completely hemmed around with qualifications?". The Minister put back his head and laughed heartily. "Will you let me have that paper with your underscored?" he asked. "Certainly" I said, and gave it to him. At least he had a sense of humor. Often he has said to me: "I would like to give you this or that, but as Foreign Minister I have to be cautious." Of course he has to be cautious, with the extremists and the military people watching his every step. It is the same with every Foreign Minister in Japan.

I also have in mind a remark made to me by the
same Foreign Minister not long ago. "We shall never enter the totalitarian camp", he said, "simply because our system is different both from the totalitarians and the democracies. We are half-way between the two. The Japanese system aims to give the individual the widest possible independence and freedom in accordance with our universal loyalty to the Emperor." We Americans, probably most foreigners, tend to regard the Japanese as a regimented people. In certain respects they are regimented; the police know pretty well what every individual is doing and more or less what he is thinking, and they are always active in stamping out what they call "dangerous thoughts", especially communistic thoughts or thoughts which try to reduce the Emperor to something less than god-like. In fact a prominent professor in the Imperial University was recently publicly prosecuted and convicted because there came to light a book which he had written some twenty years ago arguing that the Emperor was in fact an "organ" of government. They are regimented, too, in patriotic parades and other manifestations when such are called for. But Japan is by no means a totalitarian state simply because public opinion is a powerful factor in the destiny of the nation and can and does influence the shaping of policy. Not even a censored press and the withholding from the public of undesirable information can nullify this factor.

Unquestionably the recent decision to refuse to conclude a general military alliance with Germany and Italy was determined
determined by the weight of public opinion: the
extremists and certain elements in the Army favored
it; the business world and the liberals opposed it;
in this issue the Navy held the balance of power and
tipped the scales against the alliance. In this
issue, public opinion was the controlling factor.

I worked hard to keep Japan out of such an alli-
ance, using the following arguments in talking with
Japanese of high and low estate and I have plenty of
evidence that my arguments penetrated to the top and
were widely disseminated and widely discussed; when
America speaks Japan listens. If a general war
breaks out in Europe, I said, it is almost inevitable
that the United States will be unable to stay out of
it; things would be bound to happen which would en-
flame the American people, and history has shown that
the American people are among the most inflammable
people in the world. In such a case the pacifists
and isolationists would be in the forefront of those
supporting war, at least the great majority would be.
Let no one be deluded by pacifist talk in our country.
Read your histories. If Germany were to bomb London
and Paris and kill a great many civilians, that alone
would stir the American people to the depths. And
then, even if Germany and Italy had overrun Europe in
the first few weeks of war, the determination and un-
limited resources of the United States would with
mathematical certainty win in the long run, just as
they did in 1918. If Japan were then tied up in the
German
German camp in a general military alliance, it would be almost impossible for the United States to remain at peace with Japan. It therefore behooves Japan to look into the future and decide where her friendship ought in her own interests to be placed. Japanese-American relations are temporarily strained owing to difficulties arising out of the campaign in China, but these difficulties should eventually be overcome and Japan should look at the long haul rather than at the immediate present. From every point of view - economic, financial, commercial, sentimental - the United States can be a better friend to Japan, if Japan plays the game with us, than any other country in the world. A Japanese-American war would be the height of stupidity from every point of view. In the meantime, what can Germany and Italy do for Japan? What concrete results are to be gained from their friendship in the long run? These considerations are worth weighing now, before it is too late.

A moment ago I said that I have learned never to try to predict what is going to happen in Japan because there are too many imponderable elements to justify prediction. It is the divergent and conflicting forces of the different sections of public opinion which supply these imponderable factors. If Great Britain now ties up in a general alliance with Soviet Russia, it is quite possible that the Japanese Government will be forced into an alliance with Germany and Italy or will fall, and I do not think we can discard
the possibility of further political assassinations, for the extremists are at white heat and on the war path.

Speaking of political assassinations reminds me of the February 26th incident three years ago....... (Saito; rebellion).

But in all these political controversies in Japan, we must never overlook the possibility of settlement by compromise, for compromise is an oriental trait deeply ingrained. Indeed, the principle of compromise plays its part from the most important to the least important things in life. I remember that a few years ago a Japanese automobile ran into the car of our Assistant Naval Attaché and slightly damaged the fenders. As usual in such cases, Commander Bridget took the matter to our district Japanese police captain and said that the repairs had cost him 15 yen. The police officer said that he would quickly arrange the matter but that Commander Bridget should ask for 25 yen. "Why so," asked Bridget, "I had to pay only 15." "That's right," replied the officer, "You ask for 25 and we compromise for 15!"

It is trite to say that Japanese-American relations today hinge in predominant measure upon developments in China, and naturally that is the subject which I most want to talk about. First of all, let's look at the Japanese side of the picture. There is a great deal to be said here but I must boil it down to its briefest limits.

Let
Let me say in advance that the Japanese are the worst propagandists in the world. When Great Britain took control of Tibet a good many years ago she presented to the world a plausible case. Tibet was then just as much a part of China as was Manchuria, perhaps more so because Manchuria had already become de facto independent. We protested the British move on the ground that a British violation of Chinese integrity in one part of the Empire could scarcely fail to encourage Japanese or Russian violation of it in other parts, but our protest proved futile and we were told that this was none of Washington's business. Great Britain was quite willing to violate Chinese integrity, and to countenance its violation by others, if that happened to serve British interests nearer home, namely the defense of India and the balance of power in Europe. As Professor Griswod says in his admirable book "American Policy in the Far East", "Because it (the United States) was unwilling to stomach this unpalatable truth, American diplomacy in the Far East had yet to suffer not a few still more unpalatable rebuffs and disappointments."

Then came the Washington treaties, and for nearly ten years Japan played the game patiently and conscientiously in the face of continual depredations by China against Japan's own treaty rights. These depredations and provocations in themselves form a chapter in history for all to read. The Lytton Report goes into this subject; it shows an utter lack of good faith on the part of the Chinese and while condemning Japan
Japan for her coup d'état in Manchuria, nevertheless recommends that the status quo ante be not returned to.

All this does not for a moment excuse Japan for her patent violation of the Kellogg Pact and the Nine Power Treaty; it merely goes to show that Japan had and has a case which she presents to the world in the stupidest fashion. When the Japanese speak of her "Holy War" and explain that her sole purpose is to bring permanent peace and order to poor, unenlightened China, the average American says or, being generally polite, merely thinks "Piffle". Some Chinese wag has erected a large sign at the Marco Polo Bridge where the hostilities started which reads: "Birthplace of Peace in East Asia", but what is still more amusing is that the Japanese military have left it there, presumably taking it with perfect seriousness. We also think "piffle" when the Japanese try to foist on the world the preposterous fiction that Manchukuo is anything more than a puppet state, controlled and directed by and for Japan's exclusive interests. In my opinion the Japanese would do far better to tell the truth as it exists, to which the average American would reply: "We don't like either your open breach of treaty commitments or your methods, but at least you are now talking common sense which, while fundamentally disapproving, we can at least understand." The truth as it exists runs somewhat as follows:

We Japanese, they would say, are an expanding race at the rate of about a million lives a year; we live
live on islands in restricted space and our emigration to other countries has been almost universally stopped. We can manage to get along at a low standard of living by importing raw materials and exporting the manufactured articles at low prices but we are meeting increasing tariff walls and quota limitations abroad which render our foreign trade progressively precarious. Above all we lack essential raw materials and while strategically we are strong enough from the military and naval point of view, our economic defense is dangerously weak. Embargoes and other sanctions by foreign countries could wreck us and turn us into a third-class Power. In this and other respects we constantly risk overwhelming defeat by our traditional enemy Russia who is simply biding her time to get revenge for our victory in the Russo-Japanese War. Communism is at our very doors. The Maritime Provinces and Vladivostok form a dagger aimed at our heart. Some day this constant threat and danger must be removed. In the meantime we must in sheer strategic and economic self defense protect ourselves by buffer states in Manchuria and Mongolia and by controlling adequate sources of raw materials in North China render ourselves economically independent. Otherwise we would be at Russia's mercy, and Russia is not likely to stop at treaty commitments.

We ourselves, say the Japanese, played the game for many years after the Washington Conference and scrupulously complied with our treaty obligations. China meanwhile constantly broke her treaty commitments and
and acted in utterly bad faith. The other Powers, signatory of the Nine Power Treaty, very soon dropped the idea of collective security and each went out for its selfish interests. In this they were aided and abetted by the United States which for years followed a policy of wheedling and catering to the Chinese and refusing to adopt a firm attitude in the face of constant provocation, a policy which, far from earning Chinese gratitude, merely invited China's contempt and progressive interference with all foreign rights and interests, including especially those of Japan. All these things have led to the formulation of our present so-called "Continental Policy", which is essentially a policy of expansion. True, it is at the expense of China and the interests of other Powers, but which of those Powers has ever refrained or ever would refrain from taking similar measures when its own national safety was involved? History has shown no such compunctions. We regret some of the things our military people have done; we regret some of the methods used; but where our national security was at stake, we had no alternative to drastic action.

That, as I estimate it, would be approximately the case for Japan if presented by any Japanese sufficiently articulate and sufficiently straightforward to tell the truth. I submit that they have a case. But let us just for a moment turn to other witnesses, chiefly American witnesses, substantial, reliable and clear-visioned. First let us go back to the period before the Washington treaties. We were
were appalled at the rape of Nanking by the Japanese army, but listen to this excerpt from a letter to Rockhill, later our Minister to China, from one of his close advisers, written on March 1, 1901:

"The soldiers (of the allied forces in the Boxer Rebellion) have committed atrocities horrible beyond description, and the Ministers of their nationals are all engaged in looting. While Russia working independently on her own account places Manchuria, Mongolia and Turkestan under a protectorate, and throw the treaty rights of other nations into the dustbin. Right and reason disappear, and we return to the ethics of the Dark Ages. To an outsider it is all very sad and shows utter demoralisation."

(Rockhill, March 1, 1901. Griswold p. 83)

Alluding to the period following the Boxer Rebellion, Professor Griswold writes:

"Thereafter the Secretary of State (Hay) trimmed the sails of his Far Eastern policy more closely to the wind. As Russia strengthened her hold on Manchuria, he gradually retreated to the position of his first open door notes, accepting the fact that Manchuria was no longer an integral part of the Chinese Empire, but rather a Russian province, in which open door treatment was to be bargained for with the Czar. ....... To all intents and purposes Hay had abandoned the doctrine of the territorial integrity of China, at least to the extent of recognizing Manchuria as beyond the Chinese pale." Rockhill had advised him, March 28, 1901, that the Manchuria provinces seemed "irretrievably lost" to China.

(Grisolwod, p. 84)

And in 1905 President Theodore Roosevelt wrote to a friend:

"In the event of a combination against Japan to try to do what Russia, Germany and France did to her in 1894, I should promptly side with Japan and proceed to whatever length was necessary on her behalf."

Again in 1910 Roosevelt wrote to Taft:

"How vital Manchuria is to Japan, and how impossible that she should submit to much..."
much outside interference therein, may be gathered from the fact — which I learned from Lord Kitchener in England last year — that she is laying down triple lines of track from her coast bases to Mukden, as an answer to the double-tracking of the Siberian Railway by the Russians. However friendly the superficial relations of Russia and Japan may at any time become, both nations are accustomed to measure their foreign policy in sections of centuries; and Japan knows perfectly well that sometime in the future, if a good occasion offers, Russia will wish to play a return game of bowls for the prize she lost in their last contest."

(Roosevelt to Taft, December 22, 1910. Griswold p. 132)

In 1909 Sir Claude MacDonald, the British Minister in Peking, wrote to Sir Edward Gray:

"Personally he (Lord Kitchener) thought that Manchuria, at any rate as far as Mukden, would, and indeed should, be Japanese, if the peace of the Far East was to be maintained in the future. The Chinese system of Government he looked upon as hopeless."

As late as 1915, Bryan, our then Secretary of State, wrote to the Japanese Ambassador in Washington:

"..... the United States frankly recognizes that territorial contiguity creates special relations between Japan and these districts (namely Shantung, South Manchuria and East Mongolia)"

and later, when Japan protested a Bethlehem Steel Company contract with China, Bryan had the contract withdraw and again put the United States on record as recognizing a significant Japanese sphere of influence within China.

Now all this was before the Washington treaties. Those treaties were brought about through a system of mutual concessions and sacrifices on the part of the various Powers. The Japanese call the Nine Power Treaty "obsolete" but the fact remains that the
breaking of one treaty in that carefully correlated system unbalances the whole system itself. We cannot for a moment condone the breach of that treaty by Japan, but since I am, for the moment, presenting the Japanese case I am going to read a brief excerpt from a memorandum drawn up four years subsequent to the Manchurian Incident by a well known American noted as an expert on Far Eastern affairs and for his clear-sighted and objective grasp of conditions in that part of the world. I withhold his name because this memorandum was submitted confidentially and has never been published, but I hope that some day the world will have a chance to read it. It explains much.

"Patient efforts of Japan for nearly ten years tried to preserve the letter and spirit of the Washington Treaties in the face of Chinese intransigence and the selfishness of the signatory powers, each country aiming to advance its own interest at the expense of collective security. Treaties with Japan were unilaterally abrogated. Japan forces had then done in good faith only what had been forced upon them to do in fulfillment of their mission: to protect the lives and property of their nationals. The effect of our own attitude was to condone the high-handed behaviour of the Chinese and to encourage them to a course of further recalcitrance. (Extraterritoriality and customs.) The Chinese had been wilful in their scorn of their legal obligations, reckless in their resort to violence for the accomplishment of their ends, and provocative in their methods. Though timid when there was any prospect that the force to which they resorted would be met by force, they were alert to take a hectoring attitude at any sign of weakness in their opponents, and cynically inclined to construe as weakness any yielding to their demands.

The policy of cooperation among the Powers, which might well have averted the catastrophe of subjugation by Japan, was
no longer available. It was wounded in the house of its friends - scorned by the Chinese and ignored by the British and ourselves, until it became a hissing and a byword with a Japanese nation persuaded to the belief that it could depend only on its own strong arm to vindicate its rightful legal position in eastern Asia."

I repeat, and it cannot be repeated too often, that this little glimpse into history does not for a single moment condone Japan's actions. It merely serves to show up the scene in better perspective. And there is another factor in the scene which only those who have really lived, I do not mean merely visited, in Japan can properly appraise. That is that Japan is far from being a unit, and that while we abroad are naturally inclined to lump the Japanese together in one horrid mass, and to hold them collectively responsible for the terrible things their army has done in China, those who live there know that such an attitude is not justified. Even the army itself is made up of many different and antagonistic elements and some of those elements have no sympathy either with the unbridled barbarism of some of the army's units or with the efforts that are being made to drive all foreign interests out of China. I will not elaborate this theme, but I think I can give you a fairer picture of Japan as a whole by saying this: my wife and I have lived in many different countries and have known, fairly intimately, many different people and races (Japan is our fourteenth post in 35 years of service), but in all our experience we have yet to meet any greater gentlemen, from every point of view, than
than the Japanese gentleman. He has all the finest attributes, the finest sentiments, the highest principles, the firmest foundations of ethics that one can find in any corner of the world. His gestures of courtesy and politeness are not, as some would have it, merely a facade. They represent, at least in the high class people, attributes deep rooted through centuries of chivalry. People of that stamp permeate every walk of life, the Government, the business world, the world of art and higher education, the small tradesman, the servants in your house, and even the Army and the Navy themselves. Those are the people we live among. It would be utterly biased and prejudiced and blindly unwilling to accept the truth to fail to give them their proper due.

And now, before I close, just a word about the future, especially about our own future policy.

We have three alternatives: (1) to oppose Japanese domination of China and actively to take all available means and occasions to frustrate it; (2) to acquiesce in it approvingly; or (3) to take a passive attitude, conceeding nothing from the liberal principles that have traditionally underlain our policy not only in the Far East but throughout the world, but avoiding all positive action, or even the appearance of active concern, at least so long as the occasion is unpropitious.

The first would mean war with Japan. Such a war would almost certainly be inconclusive, but even
even winning it, at great costs and sacrifices, we should find ourselves advantaged not at all. The defeat of Japan would not mean her elimination from the Far East. It might mean the destruction of her present feudal and militaristic organization and reversion to a period of upheaval and political and social disorganization, perhaps bolshevization. But even the elimination of Japan, if it were possible, would be no blessing to the Far East or to the world. It would merely create a new set of stresses, and substitute for Japan the U.S.S.R. as the successor of Imperial Russia as a contestant (and at least an equally unscrupulous and dangerous one) for the mastery of the East. Nobody except Russia would gain from our victory in such a war.

Pacifists and idealists may think that such a victory over Japan would open opportunity for closer understanding and collaboration with China. This is a delusive hope. The Chinese always did and always will regard foreign nations as barbarian enemies, to be dealt with by playing them off against each other. The most successful of them might be respected, but would still be regarded as the next to be put down. If we were to "save" China from Japan and become the "Number One" nation in the eyes of the Chinese, we should thereby become not the most favored but the most distrusted of the nations. History has shown that we should have established no claim upon their gratitude. Our experience with the Conference, the Peking Tariff Conference and our Customs
Customs Treaty do not encourage any belief that
the Chinese would feel beholden to us for having
redeemed them from bondage to Japan.

Since, at the best, a war with Japan would gain
us no benefits and would in any case entail great
sacrifices and risks, we must recognize that the
avoidance of such a war must in itself be a major
objective. It cannot be a merely incidental con-
sideration in our course of action in the Far East,
because the temper of the Japanese people has become
so fanatically and belligerently jealous of Western
influence in their determined field of action that
any positive opposition to it might very probably
lead them to make even a desperate attack upon any
nation seeking to thwart them; and for years their
people have been taught by militaristic propaganda
to feel that the United States is a dog in the manger —
the enemy that stands across their way and that must be
beaten if Japan is to realize her high destiny. We
have therefore to reckon with a hypersensitive and
quarrelsome tendency that might force us into a war
we do not want, unless we walk circumspectly. Japan,
in her present temper, might indeed create a situation
which our sense of national self-respect and dignity
could not tolerate. (Panay incident). But short
of that, and from the viewpoint of mere dollars-and-
cents advantage, the China trade (which in fact in
modern times has not been anywhere near so profitable
to us as our trade with Japan) could scarcely conceiv-
ably be worth the risk of a war with Japan.
We cannot however lightly surrender our universal principles. We cannot renounce them without self-stultification and falsity to our own fundamental conceptions of the proper relationships among nations. We should not "withdraw from the Far East" and publicly recant our advocacy of the open door and Chinese integrity. It would be arrogant intellectual presumption to assume that the current of events in the Far East, with the complex interplay of human forces, might not form a pattern that we have not even imagined. Besides, it is a fact constantly manifested in human relationships that the appearance of fear or weakness suggests and encourages attack - as any dog will give chase to another that is on the run. In the character of the Oriental there is an especially strong tendency to grow elated and to become unreasonably harsh in their demands at the first sign of an opponent's wavering. To swallow our pride and make a forthright surrender of our position in regard to China would buy us no reconciliation with the Japanese, gain us no respect, and ease none of our difficulties. Rather it would stimulate them to press home their attack, so vigorously, it may be feared, that they would drive us beyond what our self-respect would find endurable, and what we had sought to avoid would have been made inevitable.

Our policy should be to yield nothing of our principles even though we do not find it prudent to
go crusading in furtherance of them. We can and should go on believing that the principles of the integrity of China and the open door are particular applications of a "good neighbor" policy that is too axiomatically right to be disputed, and that the formulation of those doctrines, in the Washington Treaties, are valid acknowledgments of concurrence on the part of all the nations concerned. There is no more reason why they should be repealed, because there have been recent developments inconsistent with them, than why the Decalogue should be repealed because there has been a crime wave. But while believing these things are right, we need not necessarily make ourselves leaders of any forlorn hope for the purpose of vindicating them in the Far East, any more than we do in Europe or in Africa. We can keep our own faith and moderately profess it without raucous scolding of the backsliders; and while there is no reason for us to humble ourselves because we have been true to our instincts, we can prudently avoid raising issues that are unprofitable and dangerous and that we are not in a position to resolve as we should wish.

But we must be clear in our own minds as to what we are doing; we must not drift. We should have a working theory of the relative importance of the various objectives in our Far Eastern policy. We should first of all recognize that we have in the Far East no policies, no interests and no responsibilities of an order fundamentally different from
from what we have in the rest of the world. We have no alliances or other involvements conditioning our freedom to act according to our own conception of our interests, whether those interests be direct and concrete and material, such as maintaining our commercial rights, or more indirect and abstract and ideal, as in endeavoring to work for peace. The one possible qualification of our freedom of action was the understanding that we would endeavor to work in cooperation with the other signatories of the Washington Treaties. That understanding has, largely through our own attitude, fallen into desuetude. Free consultation of mutual consideration among those Powers which have a common interest of their own in trying to keep China a member of the world community rather than a field of monopolistic exploitation by Japan should be our practical working system. But we have no mission to undertake any duties or responsibilities on behalf of China.

Furthermore, China is no longer the primary factor in the Far East. Although it may still be a land of opportunity, we must reconcile ourselves to the realization that very little of that opportunity is likely to be available to us. The present value of the China trade is relatively small, and any increment would now seem destined to accrue in preponderant degree to Japan's benefit, if only for reasons of economic geography, quite apart from the circumstances of political and military pressure. Little as we may relish
relish admitting to ourselves the necessity of
discarding a rather romantic conception of what
the development of China has in store for the world,
we must face the fact (or the probability so over-
whelming that we must accept it as the basis for a
working theory) that China has become, from our view-
point, an almost negligible factor.

In contrast, Japan has now come to be of para-
mount interest to us in the Far East. It is an
uncomfortable relationship, in which we feel (un-
questionably with reason, but perhaps with not quite
enough of judicial clemency in view of the extenuat-
ing circumstances) that Japan has broken faith with
us and has ousted us from our place of importance with
respect to China; and Japan (likewise with some degree
of justification) feels that we have stood across her
path no less when she tried to reach a peaceful settle-
ment with China than when she took to the law of self-
help. On both sides there is some bitterness of
feeling. But we, who live in a large country with
natural resources that make us relatively self-
sufficient and between oceans that give us ready
access to the markets of all the world and at the
same time form a barrier against invasion, can scarcely
realize how much more the Japanese are concerned about
us than we are about them. They live huddled upon
small islands of meagre natural resources, much farther
away from all markets except those of eastern Asia, and
just across narrow waters from two nations—China and
Russia—
Russia — that have menaced them in the past and that they must always regard as potential threats to their very existence. For them, the access to China’s raw materials and to China’s markets constitutes the indispensable means of maintaining in their country the industrial system by which alone its population can get a livelihood.

Discounting all the dramatization of this situation by propaganda, there is a real problem such as we often fail to comprehend and which at least explains their sensitiveness and jealousy and querulousness in regard to their position in East Asia, and their resentful preoccupation with what the bulk of the Japanese people (however mistakenly) have come to consider a gratuitous meddling on the part of the United States in an effort to keep Japan down. It is a tragic misunderstanding that has been foisted upon them, largely for reasons of unscrupulous domestic politics; but the passionate sentiment it has aroused is none the less real and none the less dangerous. For the Japanese, in spite of a superficial stolidity, are a people capable of deeply cherished resentments and of quick, ungovernable accesses of anger; there is perhaps no people in the world more prone to “go off the deep end” when not restrained by their disciplined loyalty to those whom they recognize as their real leaders. And it would now seem that leadership has passed to those who cannot be relied on to be prudent in restraining the berserker rages of the masses. So
Japanese opinion is in a perilously inflammable state, in which a chance spark might well cause an explosion.

The question of withdrawing our garrison troops from China is a hard decision to make, the more so because such withdrawal would mean an abatement of our interest in developments in which we have heretofore borne an honorable part in which we take just pride. But it is plain common sense to stop rowing when a falling tide has grounded our boat in the shallows. Having in mind, nevertheless, the natural tendency of others to harass those in manifest retreat, we should avoid any overt and palpable acknowledgment of defeat and proceed only cautiously and inconspicuously to minimize our involvements and liabilities. We might let our military forces dwindle by attrition, until there comes a time at which to remove them without antagonizing others or breaking too obtrusively with our own practice.

As for Japan, we want above everything else in our Far Eastern policy to escape becoming involved in hostilities with her. But in avoiding any antagonism or offense such as might be an occasion or pretext for quarrel, we must be meticulously careful not to lose the wholesome respect with which the Japanese at heart regard us, by any attempt to ingratiate ourselves with them by compromising our own national power of dignity of principles. We cannot make them love us or feel at ease with us as neighbors across
the Pacific; but we can avoid bringing ourselves into low esteem in the eyes of a people who whole-
heartedly respect force and the qualities of resolut-
uteness and fidelity to principles. We can deal
with them fairly and honorably and in a friendly
spirit, and we can dispel some of their groundless
suspicions, since China is no longer a game worth
the candle for us. We must avoid giving the im-
pression that we are egging China or Russia on
against them.

We can be careful not to omit any occasion for
those little international amenities which (like
social courtesies in individual relationships) may
create a feeling of sympathy more than commensurate
with their intrinsic importance, and the neglect of
which may give rise to a wholly disproportionate
feeling of irritation. We may indeed find further
occasions to act in a magnanimous spirit of good
will. But we must be on our guard lest an excess
of our desire for friendly relations should mislead
us into attitudes or actions which they would con-
strue and despise as truckling self-abasement. By
being less than true to ourselves, we should gain
not their good will but their contempt. It would
be dangerous to the peace we are trying to preserve
if we were to propose the cancellation of the Wash-
ington Treaties or disclaim the principle of the open
door or retract our refusal to recognize the puppet
state of Manchukuo.

The
The abruptness with which our whole traditional system of policy with regard to China was brought to bankruptcy by a few years of experimentation with the policy of "playing up to" the Chinese might well serve as a warning against playing the same game with Japan. Both Chinese and Japanese are Asiatics and while Asiatics are of the same human flesh and blood as ourselves and respond to the same emotional impulses and are nowise so alien or inscrutable as popular conception make them out, it is nevertheless the fact that they have a wholly different history and cultural background which has strongly conditioned their characteristic intellectual and emotional reactions and in some respects differentiated them from the characteristic reactions of us Westerners. Like us, they understand and respect intellectual and moral integrity, firmness of purpose, and the spirit of just dealing. But they normally attach to force a degree of reverence that most Western people do not, and they are far quicker to sense a weakness and not merely to exploit it but to let themselves be tempted into reckless and unscrupulous browbeating of anyone who has thus lost their respect and esteem.

Our problem in the Far East, in the difficult years that are to come, will be to husband our strength while making no challenging display of it; to write down our interest in China to its present depreciated value; to deal fairly with Japan, and sympathetically, without either provocations or subserviencies; and to
be guided by our own interests as conceived in an enlightened and generous spirit, with no wandering into false trails of "pro-Chinese" or "anti-Chinese" or "pro-Japanese" or "anti-Japanese" sentiment. Above all, we must for our own part be faithful to the principles and ideals of conduct that we profess and that others, even while dissenting, respect us for maintaining with dignity and integrity.