

Notes & Essay on Japan & China  
from Va.

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AS  
SCANNED**



# Notes and essay on Japan & China

(Moulton, Farley, Pepper, Remer)  
(Embree & Bishko)



ON JAPAN, TRADE, AND WAR

In fighting to expel Japan from her overseas conquests we are expressing our disapproval of her militarism. But it will be well for us to remember, when making the peace, that Japan's aims were in part legitimate. We must not think so much of punishment, as of future peace, when we make the treaty. My argument is as follows:

1) The Japanese are far and away the most progressive and potentially democratic people in east Asia. We should not make Japan politically inferior to China, because the latter is really a less democratic, less progressive country. Japan, if thus subjugated, would feel and act as did Germany after the last war, returning to militarism when the opportunity came. Unless we are going to exterminate the Japanese, we must create for them a postwar situation in which their material well-being will be secure. If we treat them right they will tend to become more democratic than they are now, and take the lead in bringing western civilization to the far east.

2) If we decide to revive the Japanese after we have knocked them out in the war, we must recognize certain specific implications of such a policy. The most important of these is that we must not restrict Japan's foreign trade, as we did just before the present war. The well-being of the Japanese people depends upon trade with other countries. If peaceful trade is denied to her by tariffs, she must force-  
export



from some government permission to trade.

3) We need not fear, if our protectionists behave themselves, that a Japan strengthened by many years of extensive foreign trade will again attack us. Japan turned to the military solution of her economic problems only when the neo-mercantilist policies of the countries with whom she traded threatened her with economic strangulation.

4) We need not fear that our own internal economy will be adversely affected by trade with Japan. They buy more from us than we do from them.

We have been subjected, lately, to so much praise of our "democratic" Chinese ally, and so much vituperation against the emperor-worshipping Japanese citizen, that we are apt to picture the latter as an unthinking, obedient monster, and the former as a group of sturdy freemen who think for themselves and elect their own government. If this were a true picture, Japan would probably be a Chinese dependency today. But consider: in China, 80% of the people are illiterate peasants, whose education has barely begun; in Japan there are no illiterates to speak of, and higher education is so advanced that the four islands boast more universities than any country but the United States. The Government of China, before the Japanese invasion, maintained a precarious existence by continual warfare with the countless personal armies of ambitious generals and bandits, whose control in many provinces was undisputed;



the government of Japan is elected by universal manhood suffrage. The Chinese have never known government in recent decades whose avowed object was anything but exploitation. The Mandarins at Peking and the warring chieftans who succeeded them have milked the peasants ceaselessly for the support of their armies or their courts; the Japanese for about the last sixty years have live under a government whose object was to encourage producers. It has raised the standard of living, and its primary purpose has not been exploitation. In China, because wages are so near the subsistence level, infanticide is still a common practice, and human life counts for very little; in Japan, because living standards have risen above the subsistence level, babies are no longer killed.

If all these things are true, why have we always regarded the Chinese war as that of democracy against a fascistic invader. Largely, perhaps, because Chinese democrats are very vociferous. We are prone to believe that the ideas of Dr. Sun Yat-sen, what ever they were, are representative of what China stands for. But there is little reason to believe that Chiang Kai-shek, the successful general who has slaughtered Chinese liberals when he thought it necessary, is motivated by the same high ideals as the father of the Chinese Republic. But, even supposing that he intends solely to work for the betterment of the Chinese people, his chances of bringing them up to the Japanese level within the next fifty years are not very good. After 1853 the Japanese commenced their modernization under circumstances much more favorable than those



which we find in China today. There was in Japan, at the time of Perry's famous visit, a strong group of potential traders and producers who wished to overthrow the reactionary Tokugawa regime and modernize their country. When the weakness of the old way of life was demonstrated by the American gunboats <sup>the reformers</sup> ~~men~~ were able to seize the government, thereby gaining the support of the very loyal Japanese people, and put through their reforms. Under these favorable circumstances Japan has come a long way since then. But in China the reformers, if they do maintain their sway in the Kuomintang, have for a long time to contend with the independent militarists. Their weapon must be the Chinese national army, their allies the foreign bankers who have loaned them so much in the past. The result must be a militaristic government strongly under foreign influence. And supposing the Chinese surmount these difficulties, then what? In sixty years they will be as civilized as the Japanese are right now. Why should we wait for the Chinese, when their neighbors of the islands are so far ahead? Since the Japanese are the more civilized, more democratic, and more progressive people, I suggest that our post-war policy in the far East should not be one which counts on China to civilize the Japanese.

If, then, we are not going to crush the Japanese after the war, we must make certain specific arrangements to prevent their being again driven to militarism. We must see to it



that the thirty million Japanese whose existence depends upon foreign trade are never again threatened with death by starvation through barriers to that trade.

When Japan was a purely agricultural nation her population was about thirty million and, under the limits set by her system of land tenure, the islands could support no more people. Her industrial revolution so increased productive capacity that, in the last sixty years, her population has doubled. The increment in population could not live on the islands without modern methods of production. The livelihood of one half the Japanese depends upon the maintenance of their industry. There is no spare room in Japan. Stop the industries, force a return to primitive methods of production, and one half the Japanese would starve to death. Industries of Japan, in turn, are dependent upon foreign trade. The resources of the islands are not sufficiently varied so that Japan can attempt autarky and industrialism at the same time. In order to get what she needs from other nations, she has developed certain industries, notably raw silk and semi-manufactured cotton, whose products are mostly exported. Most of her industries use imported raw materials. If, therefore, the islands of Japan were to be isolated from the rest of the world, many millions of Japanese would die, while the rest would barely be able to live. In our own big country where population is sparse, resources varied, where few people live dangerously near the subsistence level, and where foreign trade is relatively unimportant, most people do not realize what the tariffs of



another nation can mean to the Japanese. To them a fleet of ships ~~stands between~~ makes the difference between the almost decent life they enjoyed in the twenties and a return to the conditions of the early eighteenth century, when all children after the first two had to be killed because there was nothing to feed them, when the feudal landowners ruled unchallenged by any merchant class, and the advance of civilization was blocked.

Aside from such a fate there are, for the Japanese, two possible solutions to their insular economic problem. The better of the two is widespread free trade. As long as commercial intercourse between the islands and the rest of the world is unrestrained, there is no peculiar Japanese problem. In the main, the Japanese adopted this solution before about 1930. They traded with other countries almost as much as they could, and were very dependent upon this trade. The other possible solution is autarky. Since this is impossible in the Japanese islands alone, such a policy involves the conquest of foreign countries. Naturally enough, the Japanese did not want to do this if they did not have to, and, before their recent war, cannot be said to have committed any greater sins of conquest than most countries. But when the ships upon which so much depended began to be turned away from other countries by the wave of protectionist spirit which swept the world during the depression, the Japanese had to make this choice: expand or starve. It was largely for this reason that the Japanese decided to put



their national destiny into the hands of the militarists. Their attack against China, and all the East Indian colonizing powers, was not simply a madly arrogant expression of rampant militarism. It was the desperate bid of a people for economic security. The United States, which led the way in depression protectionism, must be prepared to take their share of the blame for the present war with Japan. That the Japanese in our position would probably have made the same mistake is no excuse. We are the most favored group of people the Lord has ever pampered with the fruits of ~~the~~ the earth. If we do not solve the problems of international peace, we can expect very little from anyone else. After the Japanese militarists have been put in their place, we must secure the Japanese international trade. Japan must have guarantees that the trade of the world will never again be denied to her. This is the best hope of earth for future international peace.

This argument will be opposed by those who say we must fear Japan, (a) Because the ultimate Japanese aim is world conquest, and (b) because the products of her "cheap" labor will be harmful to the economy of this country. Both charges are unfounded.

The idea of a Japanese master plan for world conquest springs largely from certain books that have been written by Japanese militarists who had such ideas. These books have been seized upon by alarmists in this country as proof that the Japanese live but for conquest. However, every country



including our own is infested with ~~such perverts~~ <sup>militarists</sup>. As long as the majority of people are content with their lot, they keep such people in their proper place. The ideas of the expansionists would not get much of a hearing in a Japan properly secured in the peace.

Our exports to Japan, in peace time, have generally exceeded our imports from her. Whenever we put up a tariff to help out an industry which competes with imported goods, we injure an exporting industry. When we block Japanese trade in order to protect producers of toothbrushes and paper dolls, we prevent the Japanese from buying our raw cotton, and bring agricultural depression to the South. By restoring free trade we will put some manufacturers out of business it is true. We will at the same time increase the production of goods for which our country is better suited. We need not fear the domestic effects of free trade. It is the international effects of protection which will ruin us.

Free trade, then, is our best guarantee for international peace after the war. We should practice it ourselves and encourage other nations to do the same. It is not an absolute safeguard. There are other causes of war. But it is the first step on the road to lasting peace.



# Bibliography

- 1) Farley, Miriam S. The Problem of Japanese Trade Expansion in the Postwar Situation
- 2) Moulton, Harold G. Japan: an Economic and ~~Social~~ ~~Survey~~ Financial Appraisal
- 3) Remner, C. F. Foreign Investments in China
- 4) Pepper, Nathaniel. China: the Collapse of a Civilization

This is a very interesting and provocative paper with most of which I heartily disagreed - Refutation would take much time & effort, but let me note briefly:

- a) that this is a strange discourse from the determined exteminator of the Tensoup;
- b) that it fails to note that whatever happens in China, there is not likely to be a Chinese Pearl Harbour;
- c) that your conception of future Japan depends on political & economic revolution, which you fail to emphasize;
- d) that ascription of 'democracy' to the Japanese who have never had it politically, socially or economically, & denial of it to the Chinese who in many social, economic, & military insti-



tutions have long practiced it, needs more convincing demonstration. (I agree about China, but the very fact of powerful opposition to him is most significant, in my eyes);  
e) and so on — including remarks on effacement  
+ lack of religion —

Bishko suggests:

Modern tyrants get strength from freedom which preceded them. German & Jap militarists work with fruits of democracy which they could never have worked up themselves.

Expanding Roman empire no doubt built on republic. Successful kings of history were ones with predecessors who built country up. They generally left country weak for their successors.

Mason Gaffney  
from

For Dr. C. J. Bishko



| Area                 | pop.        | density |
|----------------------|-------------|---------|
| 4 islands 150,000    | 73,000,000  | 487     |
| Empire total 260,000 | 105,000,000 | 420     |

## The Japanese

Embre'e, John F.  
Prof. of Anthropology,  
U. of Toronto

660 B.C., Jimmu Tenno of Kyushu first emperors (some)  
or 1 A.D. - "according to more critical historians"

Amaterasu, Sun Goddess, emp. ancestor. Susano-o, Imp-  
etuous Male.

Ainu, Mongol, & Malaysian strains. Epicurians

1615-1868, Tokugawa period. Feudal system under  
daimyo, subord. to biggest daimyo. Samurai, soldiers of  
lord. Serfs. Principle of divided & rotated responsibility in  
gov. People respect gov. Merchants broke caste system, &  
feudalism. Christianity stamped out, Buddhism weakened,  
by gov. Shinto used to discredit Tokugawa, finally.  
2 centuries of peace & isolation under Tokugawa,  
merchants gradually strengthening. Shipbuilding prohibited.  
~~But~~ Buddhism strong. After Perry, Tokugawa discredited  
& overthrown, Meiji era starts.

National Social structure:

mura, village gov., locally elected officials. above  
this, 47 ken, gov. appt. from Tokyo. Tokyo gov.: 1) Diet,  
elected, ineffective 2) strong, big bureaucracy 3) small group  
of rotating big shots. Military, nobles, & risers from ranks.  
Local democracy, long tradition. Democracy in rotation system.  
Agric. efficiency & formal education directed from Tokyo.  
Villages trading centers. Farmers co-ops sell rice.

Recently, urban pop. has increased, rural stationary.  
Much modern industry decentralized, apprentice system.



Girls work in textile factories live in dormitories, paternalism of owner. Modern industry operates in feudal atmosphere. Industrialism has not changed social set-up. <sup>economic</sup> War to expand area of free trade. American Exclusion Act, 1924, resented by Japan. Nationalist revival, 1940 voluntary dissolution of pol. parties & labor unions for national solidarity. Strong family ties. Respect for age. Primogeniture, & associated attitudes. Women few rights. Former women have more rights, do more work. Daughters sometimes treated as joro. Geisha are skilled joro, & entertainers. In Tokyo, very different.

Paramorae. Intense sensitivity toward loss of face caused by feeling of insecurity due to giving all attention to youngest born. (Is this significant?)

Teachers trained in gov. normal schools, very patriotic. Business men, civil servants, & college students are skeptics, never teachers. Language difficult, no time left over to learn science & history after learning language. Military training & traditions. "Bunmei-sha" <sup>aged</sup> discharges, organized & sporting.

Marriage arranged by family. Usually in same social class. Evidence of early cultural ties between Japan & Malaysia. ~~Buddhism~~ Buddhism chief religion, various sects. Priests have no more high position, tool of gov, opium of people. Shinto coexists - people believe in both at once. Shinto state religion; Zen for Samurai. 200 year Tokugawa pd. of unity, peace & isolation important in developing cultural unity, nationalism. Selective culture borrowing - they took industrialism, rejected western democracy. School teachers spread ideas of race superiority, merchants more worldly, smile at them - yet the teachers prevail in national character! Women stick to ceremonial religion, men call it superstitions, yet men take nationalist part of religion seriously. Women cloistered. Sons spoiled. Certain different customs in restraint & unrestraint give us false impressions of each other. / Much local work done by local organizations, as road building. Cooperative efforts, old tradition.



Moulton; Japan, an Economic & Financial Appraisal,  
Brookings Institution (Carnegie Fund involved), Washington, 1931

### Historical summary:

Fujiwara mayors, 7th century. Military chiefs become shoguns, c. 1167, perennial civil war till 1603, Tokugawa under General Ieyasu, till 1867, Meiji. > 200 years isolation under Tokugawa. Only Dutch & Chinese allowed to trade (Nagasaki) because other traders brought missionaries. c. 1800, foreign influence starts agitation. Japan was on road to change before Commodore Perry came in 1853 (?) He was only an excuse to the revolutionists. Internal trade, money, wages, was slowly beating out manorial self-sufficiency. Commercial class (chōnin) live wires, bought out, nobles & gained influence. Lower class samurai, getting poorer, <sup>some</sup> backboned revolt, Imp. Restoration of 1867. Revolution social, political, economic. Changes, pop. elected assembly, = opportunity to serve in army, "all absurd old usages shall be abandoned and justice & righteousness shall regulate all actions? Universal education, religious tolerance. (Minseito - city business men's party; Seiyūkai - rural landowners)

### Chap. III Geography & resources

1872 to 1930, pop. from 33 to 64 million. Highest pop. density per cultivable land. 2,774 per sq mi, with Eng. at 2,170. Clearly if Japan traded as Eng., she would have no pop. pressure. - esp. as she grows rice, more intensive crop than Eng.'s. Before 1603, much ship trade. (Nationalism fostered by long isolation) More extreme climate than Europe. High rainfall. Coal & copper.

Taiwan: agriculture. Sugar manufacture. Japan has built r.r.s, other good stuff. Chosen agr. 80% pop.; deforestation, Japs now fixing up.



Persistence of Handicraft industry.  
Small scale industry still large, average firm small.

## Chap. XIII

### Foreign Trade

c. 10%  $\pm$  still handled by foreigners, once all. Recent development of merchant marine & banking. Tremendous increase. Recent trade balances all import heavy save in world war. U.S. (36%) China (12%) Br. India (11%) most important in trade. U.S. trade go on increase. (1929, her exports to us > imports from us - strange.) Biggest import - raw materials. Not even self-sufficient in food, but exports as much as imports. Raw cotton biggest import,  $\frac{1}{4}$  total, iron steel machinery next. Exports mainly finished & semi-finished manufactures. ~~Rough silk~~ <sup>biggest</sup> export. Taiwanese trade has shifted to Japan since annexation. Taiwan exports > imp.s, (exploitative?) Sugar & rice. These must be protected - Dutch sugar cheaper. Chosen gets more from Jap. than she gives - investments one balance. Colonial trade now  $\frac{1}{5}$  total, has increased rapidly. U.S. trade most important.

## Chap. XIV International Financial relations.

Even until 1897, when nat. gov. borrowed abroad. World war reversed, but by 1929 again a debtor. Large excess of imports. Makes money as a carrier, with fleet. Navy must purchase fuel abroad, a big item. Municipal borrowing, not so great. Began to invest abroad, e.g. Manchuria, esp. in war. Loans to China (Mitsubishi loans) for imperialism, all lost. South Manchurian r.r. a big item. During world war, world wide embargo on gold movements. So yen sunk until 1929, when gold moved again. Popular suspicion that depreciated exchange helps country - (no doubt because it boosts exports)



Chap. XV

Growth of National wealth & income.

1913 - 1924, per capita wealth increases 40%  
This brings us well above subsistence. State runs  
r. t. s, elect. utilities, other monopolies, gets revenue  
thereby.

Chap. XVI

An Epoch of History

Worldwar boom followed by reaction. Another boom,  
aided by earthquake reconstruction activities, at  
height in 1924-5. "created favorable employment  
situation": 1927 depression - earlier than ours.  
Enormous number of "bad & doubtful loans" the cause.  
Condition of banks discovered by public when legislative  
discussed funding them bonds to pay earthquake debts,  
confidence went, runs started. Monetism declared, then  
gov. guaranteed bank deposits, panic stopped. Bubble  
burst, weak banks busted, or merged. 1929, Minster gov.  
returned, program of deflation, no loan policy, back to gold  
standard. Then world depression. Jap depression lasted  
but 3 years, to 1930.

Chap. XVII

Government in relation to economic enterprise

More state ownership & close relations than in any other  
country in same era. c. 1880, Meiji started model mines,  
industries, then gave them to private industry. R. R.s always  
state, complete. Shipping started by gov., then given to  
privates, & subsidized. Steel same, but gov. steel still  $\frac{1}{2}$  total.



Save in transportation & communication, gov. policy to get out. Internal developments in colonies. Gov. makes money on its businesses. Controls price of rice by import control, since 1918. - it loses much money by so doing. 1930, starts subsidizing silk, which was hit. Subsidies to agriculture much greater than those to industry (who benefits?) Subsidies c. 3% total gov. expenditures

1851, trade treaties with Eng., Russia, China. 1911, big tariff. 12, 17%. Raw materials, necessities admitted. Luxuries banned, promising industries protected. Free trade with colonies, few exceptions. Boms on exports, in form of subsidy to ships, & foreign trade concerns.

### Chap. XVIII Economic effects of fostered industrialism

Fostering, a part of feudal attitude. No inter feudal <sup>industrial</sup> period. Feudal tradition despised businessman. A few great feudal business families, not many. Gov. had to supply credit system. Gov. sponsored new ethical view of profit making, & patriotic laps accepted it.

Agriculture alone definitely insufficient to support present Jap pop. Increase of pop. all in cities, after 1895. Big owners' agric. land could be better used, but even so not enough. ~~2~~ 2 1/2 acres, ave. size farm. 70% farm families are "petty owners." Standard of living up, city & country. Peasants badly exploited by taxes, in old days. New Deal of Meiji raised prices for them, they start using fertilizer. Old conditions terribly low. Since 1920, as in US, agric. prices down, & values. Average down slightly, production up much, since 1920.

Fostering necessary to start industry. Gov. having exploited so in past, there were no private accumulations of capital to go to work. City dwellers, 50% pop., pay more'n 50% taxes.



Chap. XIX : Social Consequences of Ec. Expansion.

Peasants of yore, tho by the ass, had local self gov. & owned a little land. Religion sanctified wrongs. Universal education illiteracy gone, people stimulated. Universal manhood suffrage. Paternalism in small handicraft industry. Unemployment & insecurity a new phenomenon, increasing since 1920.

Big cooperative movement. Outlook of people broadened by nationwide contacts. No enclosure, no unemployment in transition. ~~as~~ Many women work in factories, 80% in textiles. Labor legislation starts, c. 1920, to gain headway. Gov. protects workers, favors on unions because they are independent, recent more favorable attitude. 9 to 11 hrs, one working day. Real wages have increased. Gov. factories, best conditions (according to gov.) But with higher wages has come unemployment. - tho not the problem it is here, due to land system. - small factories, small farms, much private bondagging done, due to family & feudal ties. Unemployed workers go home to farms. 1930, hobos first appear. Much private paternalism, & fathers look on it as alternative to gov.'s doing it by social security program. Everything overstuffed.

Education: Japan has more universities than any country besides U.S. Many graduates fail to find work, now.

Living standard lower than Gy,  $\frac{16}{25}$  ratio, but out of his income German must build & heat home. Japs spend more on mind, less on material things.

Belief now gov. policy.

Tenant farmer unions, post 1920, bargain with



landlords. Landlords must go to court to kick men off land, & they often do. Landlords under mortgages which were contracted under inflation, tough to pay. Families no longer want to support returning unemployed. Labor political party, not too successful, anti-militarist, pro-education. Bolshevism fails, people love gov.

## Chap. XV Expansion of population

1550, 13,000,000. 1720-1850, 26,000,000; increase being due to peace of Tokugawa, since 1603. ~~to~~ Max. possible for type of production. Abortion & infanticide became common in Tokugawa period, keeping families down to 2-3, stabilizing pop. Not considered wrong, but customary. But industrialism stopped this, pop. grew. Depressions did not check it.

(Consider - Jap civilization is in C for a climate. Industrialism will allow n. expansion, to Manchuria, Hokkaido, etc.) Marriage age is becoming later. Taiwan & Chosen denser than Japan. Birth control movement, opposed by emperor. High death rate, yet pop. increase faster than western Europe. Only Russia exceeds her. Emigration no solution, tho encouraged by gov. Whole merchant marine could not carry away increase, if it did nothing else. Chinese, & all Asiatic labor, worse off than Japs. Since 1926, height of boom, unemployment on upgrade. 2 drivers in every taxicab, intense "make work" policies by propertied, who fear radicalism.

## Chap. XXI Maintenance of financial stability

Earthquake & inflation, low yen in 1924. Empirical fact: early stages of inflation stimulate business. But stabilization must come. French, in 1927, stabilized at  $\frac{1}{5}$  prewar. Annual gov. exp. c.  $\frac{3}{4}$  billion \$,  $\frac{1}{5}$  military,  $\frac{1}{4}$  "interest & pensions", all waste.



R. t. s. operated at loss, unlike most gov. s, & unlike other Jap gov. projects. Military expenses vary immensely with "prosperity": 1921 Wash. arms conference lowered them.

Statism - "earthquake relief" expenses continue undiminished long after quake. Japs had to accept London Naval Agreement; they ~~also~~ had to reduce milit. exp.

1929, gold exports recommence. World depression hurt trade.

## Chap. XXV

### Reorientation of commercial policy

Cotton imp., silk exp., tops with U.S. principle competitive products she sends us: silk tissues & handkerchiefs, pottery, undressed furs, brushes, dolls, toys. Competitive products are but 4% total exports. She gets our cotton, lumber, oil. Now silk's 36% Jap exports, & U.S. takes 97% of it. 1922 & 1930, U.S. raises tariffs vs. Japs. They protest. They can buy fewer goods from us.

#### Jap tariffs:

Often they handicap home industry by raising raw material prices. - in steel, aluminum

### Summary

1927 depression eliminated high cost producers, increased efficiency, & mergers. Money rates very high. Roads needed. Good in miscellaneous, not heavy manufacture. She is dependent on tariff fallacies of other countries.

(over)



# Tax breakdown, p. 409

Land tax small, getting mono. Excise on liquor, income, & customs taxes biggest + producers. Gov. monopolies best of all.

Notes # 2,  
(b)

C.F. Remer, Foreign Investments in China, Macmillan, 1933  
p. 23

200 million acres cultivated in China, N.Y.

$\frac{1}{2}$  acre per person. In U.S., 4 acres per person. U.S. could support 1 billion people, at same density.

High birth & death rate. Infanticide common. 80% pop. rural. No industry. Best in transportation. Family custom, ~~the~~ village tradition, guild & club rules, patent law. Gov. milked people traditionally, the theory being payment of tribute, no pretence at return. Officials saw they were fixed with land before they quit. Passive resistance & they checked them. Chinese are "rebellious, but not revolutionary". Skeptical of gov. interference, (naturally, considering the sort of gov. they have had) Filial piety the chief virtue. Modern China is breaking this. (recall Huntington's idea of why Chinese are slow - emigration, not applicable to insular lands)

1) Official class; 2) Landed gentry, ~~much~~ much land, often broken up by rebellions  
so-called "communism" is just anti-land/landism. 3) Merchants 4) Craftsmen  
5) Peasants. Most tenants, myriad arrangements, varying degrees of exploitation & helplessness. Many unattached to land, they are assassins of city. Peasants give China its character. Independence, due to family solidarity. Agric. methods poor. Old separate field method used. Money & banking all private affair. Shansi banks head, subject to raids by gov. for taxes. 'Land tax' main source of gov. revenue. (big owners, no doubt, exempted) Finance driven underground, to avoid exploitation. Rich buy land, instead of lending money. State has never piddled with production. This is coming, maybe.



## Chap. IV

## Modern economic relations.

Local merchants never opposed trade - 'twas Manchus.  
 National psychology isolationist, & it was a "privilege" to be allowed to trade. (real privilege of foreigners is owning most valuable land in big trading cities) Extra territoriality universal with foreigners.  
 After 1850, Shanghai most important. '28-9, China gets tariff autonomy. Previously (1842-1929), 5% adval. by international agreement. Ching gov. wanted more revenue from tariff.

1930, Eng gave Weihaiwei back to China.

Chinese currency on silver, fluctuates, is speculated in. This stops short term investments. - one never knows what he's getting into

Original China exports, tea & silk. (c. 1850-1900) Cotton yarn imported, opium was top import until 1885, rapid & complete decline since. Britain's % share of trade decreasing. Trade has been steadily & rapidly going up. Cotton mills put in, so now this former premier import is exported. But per cap. trade lowest in world. Exports Agric. raw materials - soy, esp. from recently settled Manchuria. Chief import now - manufactured cotton. Imports food.  $\frac{3}{5}$  China trade with 3 top countries: Japan, China, 'South Seas' & G.B., in order. Till 1905 max, India sent her cotton yarn. Then Japs, 1915 max. Now Chinese mills.

Bremer says foreign capital needed, ~~for~~ industrialization (This would not be so if internal conditions did not prevent accumulation by Chinese.) Problem of gov. - to prevent foreign investments leading to political control.



First foreign investors were merchants. They had to have land, & security, so the went against Peking.

Most foreign investments are to business, not gov. (20% to gov.)  
~~50%~~ in Shanghai. (1931)  $\frac{1}{4}$  in Manchuria. Eng. & Jap.

$\frac{1}{3}$   
biggest creditors, with Japs on way up. G. B. has investments  
elsewhere, Japs have not.



Peterson, Nathaniel; China, the Collapse of a civilization.

John Day, Guggenheim Fellowship, 1930

## Chap. IX China today: vacuum

1928, Nanking gov. captured Peking. But its control is very narrow. 4 of 18 provinces. Military dictators of each province must approve. Groups of generals. Personal armies of various military men rule. 10 years of civil war, parasitic soldiers (recall good earth) 2,000,000 men in arms. Chiang Kai-shek, in charge at Peking Nanking, wanted to squelch other generals. His list for power suspected. Yuan Shih-k'ai, former dictator. No meaning to wars. Exorbitant irregular taxes everywhere for armies. Driven by want, men become soldiers & bandits. "Communists" are bandits, perhaps with former Muscovite tinge. 1927, real communism made its bid, but these men are not such. "Young China", "awakening", very superficial yet, but making progress. Last 15 years, tremendous changes. Family traditions breaking. Personal wife-selection coming in. College students demonstrate more than they work. Education way behind. Some min Chu I has replaced classics. A childish book in many ways.

## Chap. VII Beginning of disintegration: economic social, cultural.

Banditry, barometer of social conditions.



## Chap. 8 Collapse

Rev. of 1911, destructively successful, constructively not. Yuan Shih-k'ai, dictator, who left behind warring lieutenants. Movement to replace fancy language with vulgate. Upstart rabble of generals replace Yuan Shih-k'ai's lieutenants. 1918-'27, they fight each other, rule provinces. Peking gov. helpless. Then, '26, Kuomintang, original revolutionary party which had been routed by Yuan Shih-k'ai in 1913, returns. (It had returned before, in '17 when Yuan fell, but was unsuccessful) Canton their stronghold.

Sun Yat-sen. Moved around, talked it up, left knots of revolution behind him everywhere. 1911 revolutionists made him president, he had to resign for Yuan Shih-k'ai. People not capable of representative government. Sun had bad allies who duped him, used him for their purposes. Successive revolutions & occupations of Canton. Leads desperate bid for power, '27, ~~for~~ at last successful.

Russian adventure of '23-'28. Russia came proffering aid. Gave back some concessions, made big impression, kept important r.r., Chinese Eastern across N. Manchuria. Bonodin, Russian minister to China, potent. Supported (Russia did) successful revolution. They gave organization to Kuomintang, like Russian. Semblance of democratic control, small clique at top runs things. Communists admitted to Kuomintang, a small minority who knew what they wanted, power grew. Chinese finally expelled 'em. Sun Yat-sen died first. Chiang Kai-shek comes in, opposed to Communists. '26, he wins revolution, takes Yangtze valley. Then fissure with communists, whose unions were striking against



owners, rural & urban. Peasants seized land. So Chiang disowned communists, slaughtered them. Unions crushed. Great slaughter for 2 years when Chiang took Hankow. Idealists, many of best people, killed off. "Timeservers & placemen" not killed.

## Chapter 12: Filling in the void: economic, social, political.

New class of profiteers in Hankow & Shanghai, who thrive on anti-Red propaganda. Unions crushed in '28. Wages not raised, people disillusioned over it. New industrial plutocracy; all opposition is "Communist". Unions "regulated"; & gov. depends on loans from bankers, so they do nothing.

'25, Shanghai incident, Foreign police beat students, start big revolt. Foreigners now have no authority in China, as they once did. Wages in textile mills - \$5.00 to \$12.00 per month. Women & children work. "Industrial serfdom".

Productivity lowered because of ravages of soldiery. (a country which can support armies cannot be said to be at subsistence. Given reasonable security, Chinese productivity would increase) System of landownership big hindrance. Peasant movement recently. Communists electrified it, caused revolt & Chiang's retaliatory slaughter. Peasants confiscated landowners land, widespread looting turned to bellum omnium contra omnia, sad state. In south, there are big landowners, tho not so much as in eastern Europe. (radicalism of south no doubt due to this)



But in north, small farmers, few large estates. Rent runs around  $\frac{1}{2}$  crop.

Variation in % of tenants in sections. 27% to 78% tenants & partowners, in north & central. South would be higher. Agents of absentee lords are worst rackrenters. Economic distress makes wealth concentrate.  
land

No attempt now to fulfill Sun Min Chu I. Factory & land laws "drafted, not implemented. Gov. could not if it would. Land law is single tax. Designed to stop new fortunes from growth of city values. But it will not be enforced. Socialistic laws to hinder production - fiat on 90% of profit to go to shareholders, managers & workers - ridiculous. Minimum wage to be fixed on index of prices. Thousands of loopholes for clever lawyers - as there must be in any complex regulation scheme. Industry will be retarded. Shanghai, which is foreign controlled, is biggest industrial center now. Restrictions in China will drive all industry there. Education advanced far, before civil war. But slavish imitation of west. 1923, 6,500,000 children in school, since then fewer, due to wars. Jimmy Yen, too, stopped by wars.

### Chap. 13 China & the West - revolution.

China took tariff autonomy, nullified extra-territoriality, save in Tientsin, Shanghai, Peking, where foreign troops are. No longer are Chinese socially spat on by foreigners. They are taking over ownership in cities. Recent emigration to Manchuria - 5 times more than Japs, & a Chin. r.r. to trade. Chinese traders getting to own much. Japs got part of China post world war, they object. They now push foreigners around just for fun. Every local gov. in orgy of taxation. Business hard to conduct. Chin. traders pushing Japs out. Foreign loans.



# Minam S. Farley, Problem of Jap Trade Expansion in the postwar ~~world~~ situation. Inst. of Pacific

Relations Enquiry Series, 129 E 52nd St, N.Y., 1940

## Part I - Effects of war on Jap foreign trade (137, July)

(3) Since 1931, war agitation. 1914-18, great Jap (to '39, Sept)

trade gains. 4 post '31, trade expansion, more imports than exports, for war. "Passive" trade balance. '36-'37 import boom, due to fear of inflation, speculative buying; corresponding export boom; ~~some~~ <sup>also</sup> of gold, starting March '37 (to strengthen the yen) 3:31-'37, exports grow, despite tariffs, yet troubled by them. 3 After currency depreciation had something to do with this, {like other depressions elsewhere} In 1937, export prices = 59, if 1931 = 100 - so they

got more in '31, which was abnormal. Since July '37, controlled economy for military. Also, boycott & '37 depression slowed her trade. 3 Her own rising costs & domestic restrictions + raised tariffs, kept her from repeating '29. 3:38, exports fall much. '39, slight recovery. '29 & '37, depression lowered raw material prices for Japs. '37-'39, ex in from 59 to 74. 3 Boycott, led by Chinese traders of S.E. Asia, e.g., Malaya, 74% drop. U.S., all but silk stopped.

For export industry & for war (& I think more) she must import raw materials. She gets no more credit from U.S., carb. Military control of trade. - imports only war materials, & stuff to supply export industries. Price fixing to stop inflation. Trade control grew into military control of all. First exchange control in '32, following gold embargo, to prevent 'flight of capital' - i.e., buying foreign securities. Not bad until '37 when import boom encouraged 'capital flight'. 4 Export of Gold, all along. 4:37, private foreign assets seized.

Does not consider European war effects. They would be to lessen her imports if for a while.



"Foreign Trade Control Law", Sept. '37, is backbone of  
war controls. For international trade leads to every lap industry.  
Voluntary action by trade associations meshed to controls  
but direct gov. control increasing. '37 import boom had  
accumulated large stocks for peace time industry, & export industry.  
Reaction, & summer '38, Ikeda of Mitsui in gov., puts in  
"link system" - you may import if you export. Exports to yen  
bloc countries forbidden (they could be directly controlled. Foreign  
exchange wanted) To control, gov. gives monopoly to 'Japan  
Cotton Spinners Ass.', small exporters wrecked. "Link s." applied  
to 30% exports. Temporarily helped exports, but ('38 esp.) these  
declined. Much bitching. Japs. try no blocked currency deals, because  
(Foreign debt small, payments made.) their traders are mostly U.S. &  
Britain, who do not practice foreign exchange control. ('38%)  
Since '37, trade decrease. Increase with Manchuria & conquered  
China. - exports to feed troops. '37 to '38, 36% decrease  
in trade with non-yen bloc. Industrial development in  
Manchuria. But self-sufficiency not to be found in China. -  
only food. Gov. makes exporters send stuff elsewhere. '38, slight  
reduction in import excess, still large. In Aug, '37 (after  
1st import boom) trade figures not published. - no doubt so wariness  
could hide their stockpiles. Military imports increase, into  
'39. & Gold reserves due to be exhausted c. 1941 (very  
guessy) Gold mines. We stopped shipping 'em cotton,  
started oil, machinery, etc. Oil from Dutch Indies, rubber  
tin, iron from Malaya, wood & metal from Canada, etc.  
Increased trade with Gy. & Italy. Eur. business  
prospering in E. Asia due to boycott, ∴ they like war.  
China insufficient for autarky. (If this is denied Japan,  
she will be forced to go into free trade) She has shifted to  
heavy industries for war, post war problem. Uneconomic  
versate industries. (p. 29) Her heavy industries, which she



fosters for war, cannot beat us, we have China trade. These require imports. Internal economics so messed up that post war gov. control likely, win or lose. Industrialists may replace militarists, that's all.

## Part II - Problems of Post war adjustment

15% land cultivated.  $2\frac{1}{2}$  acre ave. farm size.  $\frac{1}{2}$  pop. in agric,  $\frac{1}{2}$  in industry & trade now. Present population could not exist without industry. Self-sufficient in food, but not for industry.  $\frac{1}{5}$  her manufactures exported, to pay for imports. In addition, <sup>cf. to in U.S.A.</sup> "feudalistic" rent system keeps poor poor, hinders productivity. Financial oligarchy controls industry & gov. (Table 5 - small trade in 1900, steady growth to 1915, boom to 1920, another boom 124-'29, another '33 to '39, esp. '37. Usually 4 more imports than exports, save in '84-'18.) (Table 4 - gold supply: reserve + present production. Annual production enough to meet usual trade balance, but not to meet unusually high '37 boom. Reserve would handle 10 ordinary years) '32-'37 "export boom" actually only a swift return 4 to pre depression level of trade, with imports > exports. (evidently) Jap depression was not severe, probly because boom was not much. Her industry was not strengthened by parasites, recovery was rapid) By this she out traded other countries, depression bound, & alarm of "cheap Jap goods" was spread. Technological improvement. Currency depreciation. This causes export, for a short while. (Why -



World depression lowered raw material costs to Japan.

(Inflation means you give more exports for some imports) 4) Japan was not "dumping" (was anybody ever?) for export industries receive no gov. support. Other

3) ~~Countries~~ countries' trade increased c. 1932-7 almost as fast as Japan's. Her gains concentrated on some things - cotton textiles notably.

Autarkical trend hit her hard. Esp. as her exports were manufactured, which may be home grown in other countries, rather than irreplaceable raw goods.

Since 1931, French (1932 quota system, incl. Indo-China), English (1932 Ottawa agreements), Dutch ('33, Netherlands Indian Crisis Import Ordinance) '34, crown colonies Latin America, India, U.S., Philippines, Aust., Can., N.Z., Egypt, all raise anti-Jap restrictions. '36, cotton trade starts down.

By diversification she kept up trade, but loopholes were being closed, prospect discouraging.

3) She has high tariffs herself. Her trade boom benefited only the wealthy few. Much of the imports went to war goods. Foreign trade restrictions not fundamental

5) biggest cause of internal unrest, because expanding industries were absorbing more men every year. (but still may have caused war, if they foresaw being choked) China war

3) an attempt to get ~~autarky~~ products in which capital plays small part in production her best bet in international competition.

3) Silk declining, due to substitutes. It is exported semi-manufactured to hit American tariff just right. Her cotton, in cheap forms frequently beat out British. Currency inflation (a sort of subsidy to exports?) helped this, & now its effect is off Eng. is catching

3) up. Market is narrowing, prospect poor. ~~But~~ Cy, Eng, & U.S. supply China with heavy goods, Jap. industries are subsidized & poor. They must be dismantled someday. Trade with backward colonial areas considerable, & suitable - cheap low quality stuff. Effect of Chinese



→ boycott. 1933, China (having assumed tariff autonomy in '29 - from whom?) erects protective tariffs to encourage industries. Japs break it. (p. 52)

c. 132, big colonizers put up tariffs to stop Japs, G.B. & Dutch. '32, G.B. left traditional free trade for 1st time. - Ottawa agreements. Cotton & rayon esp. Japan hit hard. India, Japans 2nd largest 'market', developing own textile & iron industries, & forcing G.B. by tariff '31, cotton duties up. '34, quota agreements fix pretty well. Dutch, with 5% Jap trade, next to G.B., 3rd in rank. '32, to stop Japs, abandon open door which was since 1872. Both to foster native industry & keep Dutch trade. Phillip Philippines & Hawaii - never free trade, tho Filipines have it with U.S. '35, quota vs. Japs. Free Filipines would trade more with Japs, despite autarkich ideas. France traditionally allows no colony trade, some Fr. Morocco. Fr. business interests refuse to develop Indo-China industry. In free markets, Japan's trade expansion has been much greater than in others. Congo Basin (includes surrounding states) free trade guaranteed, 1885, Berlin treaty. A & B mandates, too. Australia turning from Japan, to Eng, '36 on. Latin America, '31-'36, 10% - 40% Jap trade. '36, 22% trade with U.S. We give cotton & machinery.

Cotton quotas for Japan set by agreement with private textile producers in U.S. 11% trade with industrialized w. Europe.

G.B. trades as much with Japan as with dominions.

Jap trade grew while other country's was shrinking, recently. ? Currency depreciation a big factor in this. Japan's traders organized in associations which can regulate much. Imports cause inflation. Many quota agreements negotiated by private trade associations. Many small miscellaneous producers who



make Jap export trade cannot be thus controlled.

2 Expanding foreign trade necessary to Jap living standard.

2, 3 53% exports & 64% imports of Japs are with U.S., G.B., & dependencies. Our policy means much to them.

End.



4) We do not need to fear their imports. They regularly buy more from us than we from them. One reason why they were so well stocked for war. We get their gold. Maybe their inflation is a subsidy to exports (??)

5) Free trade not final answer to all problems. But will prevent mercantilist wars, lessen nationalism.

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H. G. News

Chinese inflation. Finagling with Chinese money is helping make new class of Chinese rich, who are buying land, of course.

Sun Yat Sen for George, 1912. Chiang Kai-shek fights "communists", who are just land reformers.

Jap. great fortunes due to rise in city land values. Inasaki & Mitsubishi.

Chiang suppresses Jimmy Yen, teacher. Basic Chinese, 1,000 characters. 85% Chinese are peasants, cannot read. Jimmy Yen has made 21,000,000 Chinese literate - says R. S. D.



Problem: What sort of peace to make with Japan?

To prove: we should allow them to trade freely  
with areas they have conquered, & with us, too.  
(Alternative - extermination)

Reasons:

1) They are progressive, potentially democratic people,  
best in E. Asia. Much proof.

~~Natural Leaders of E. Asia.~~ To sit on them  
is to create resentment, hate, German-type  
revival in future.

2) If we are not to sit on them, we must not  
prevent their continuing their peaceful trade  
expansion. Their well being depends on it. Peaceful  
trade is possible without helping them make war. - if we  
ship them cotton, not oil & machinery & scrap as we switched  
to c. '37

3) Our trade policy responsible, in part, for their  
militarism. Illustration of how it works. Their  
attempt at autonomy. <sup>sterilism</sup> '37 in China, same case,  
same effect.



In fighting to expel Japan from her overseas conquests we are committing an act which we may have to partially repeal in the peace. My argument is this:

1) The Japanese are far and away the most progressive, and potentially democratic people in East Asia. The Chinese, whom we are probably going to <sup>maintain</sup> ~~support~~ after the war as the dominant power in East Asia, are less democratic than the Japanese. It is within our power to treat them so that they will tend to become a democracy even more than at present. Therefore we should see that the Japanese are permitted to trade ~~in~~ freely in an area large enough so that their material well-being will be secure.

We should not put a political check upon their economic freedom in the orient. If we do, Japan will feel

We should not, in the peace, ~~following~~ <sup>make</sup> ~~put~~ Japan under the politically inferior to China, because the latter is really a less democratic and less progressive country. ~~If we~~ Japan, thus subjugated, would feel and act as did Germany after the last war. When the opportunity came she would return to militarism. Unless we are going to exterminate the Japanese, we must create for them a postwar situation in which their material well being is secure.

2) Having decided not to put Japan in an impossible situation after the war, we must recognize that this has very specific implications. The most important of these is Japan that we must not restrict Japan's foreign trade, as we did ~~just~~ before the present war. The well-being of the Japanese people depends upon her trade with people of other countries.

*2 ways - autarky or free trade.*



3) We need not fear that a Japan strengthened by many years of extensive foreign trade will again attack us. Japan turned to the military solution of her economic problems only when the neo-mercantilist policies of the countries with whom she traded threatened her with economic ~~st~~angulation. If ever, ~~through-the-pr~~ other circumstances should prevail over foreign trade and cause Japan to again go to war, we know immediately when to stop trading. That is when she stops importing our cotton and begins to take our oil, machinery, and scrap metal.

4) We do not need to fear that free trade with Japan will cause unemployment in our own country. They regularly buy more from us than we get from them. ~~It-is-the~~ Blocking of trade with Japan, ~~that~~ therefore, will ruin more industries than it will make.



~~th~~  
 We have been subjected, recently, to so much praise of our "democratic" Chinese ally, and so much vituperation against the "dirty-yellow-Jap"/ emperor-worshipping Japanese, *citizen* that we are apt to picture the latter as an unthinking, ~~and obedient monster~~, and the former as a sturdy, ~~freeman~~ *awakening* who thinks for himself and elects his own government. If this were a true picture, ~~This is far from the true. If it were,~~ Japan would probably be a Chinese dependency today. ~~But-it-is~~ But actually ~~But~~ such an idea of the two peoples is hard to reconcile with the following facts:

But consider: in China, 80% of the population are illiterate peasants, whose education has barely begun; in Japan, there are no illiterates to speak of, and higher education is so advanced that the four islands boast more universities than any country but the United States. ~~In China the governments control over~~ The Government of China, before the Japanese invasion, maintained a precarious existence by continual warfare with the countless personal armies of ambitious generals and bandits, whose control in many provinces was undisputed; the government of Japan is elected under a system of universal manhood suffrage. The Chinese have but recently gotten rid of a government, that at Peking, whose ~~frank~~ avowed object in collecting taxes was exploitation, which made no pretence at being interested in the well-being of the Chinese, and whose successors, the ~~milita~~ independent militarists, have mercilessly milked the producers in order to support their armies; the Japanese government for the last half century has been attempting to raise the standard of living of the



Japanese people through encouraging producers, and has succeeded remarkably. In China, such liberal movements as labor unions and co-operatives are weak; in Japan they are strong. In China, due to the pressure of low wages, infanticide is still a common practice; in Japan, because the living standards have gone up above the subsistence level, babies are no longer killed. ~~I stress this because~~ the Japanese tradition of cruelty is probably closely connected with the necessity for being so heartless as to kill babies. If this has made the Japanese cruel, what is it still doing to the Chinese? The mass butchery practised by Chiang-kai-shek's armies against the communists <sup>in 1927</sup> is one evidence that the Chinese do not value human life any more than <sup>does</sup> our enemy, the Jap.

We are prone to believe that the work of Dr. Sun Yat-sen the great liberal, is representative of what China stands for. But there is little reason to believe that Chiang Kai-shek, the successful general, is motivated by such the same high ideals as the father of the Chinese republic. But, even supposing that he intends to work for the betterment of the Chinese people, what are his chances of bringing them up to the Japanese level ~~in~~ within the next 50 years? Not very good. ~~50 years ago Japan was unified,~~ When Perry visited Japan in 1853 there was already a strong group of people who wished to overthrow the reactionary Tokugawa regime and modernize Japan their country. ~~Aided by the~~ ~~loyalty~~ Using Perry's humiliation of the Tokugawa as their excuse they seized the government and put through their program with the ~~all~~ support of most of the Japanese. In China, the reformers, if they do maintain their sway, in the Kuomintang, have for a long time to contend with the

and in 1911 years, given  
these favorable  
circumstances



p.5

independent militarists. Their weapons will of course be the Chinese national army, and their allies the foreign bankers who have loaned them so much in the past. The inevitable result must be a militaristic government strongly influenced by foreigners.

~~Q~~ If, then, the Japanese are not to be crushed after this war, what specific arrangements must we make to prevent their being again driven into militarism? We must see to it that the 30,000,000 Japanese whose existence depends upon foreign trade are never again threatened with extinction by barriers to that trade. When Japan was an agricultural nation her population was about 30,000,000, and, under the limits set by her system of land tenure, ~~this population could not~~ the islands could support no more people. Her industrial revolution so increased her productive capacity that, in the last 60 years, population has doubled until now there are over 60,000,000 Japanese. The increment in population could not live without modern methods of production. The application of modern methods of production <sup>in</sup> to Japan, in turn, depends ~~upon~~ in large part upon foreign trade. Japan is not a country of sufficiently varied natural resources to attempt autarky and industrialization at the same time. In order to get what she needs from other nations she has developed certain industries, notably semi-manufactured cotton and raw silk, whose products are mainly exported. ~~The cotton industry depends upon raw cotton which is imported from the United States and chiefly.~~ She also has many industries which use imported raw materials. If ~~Japan~~ the Islands of Japan were isolated from the rest of the world, many millions of ~~peep~~- Japanese would die. In our own big country, where



population is sparse, resources varied, where the few people live near the subsistence level, and where foreign trade is ~~not a matter of life and death~~ <sup>relatively unimportant</sup>, we most people do not realize what the tariffs of ~~a/for~~ another nation can mean to the Japanese. But to them, a fleet of ships is the difference between a decent life and a return to the conditions of pre-Meiji days, when all children after the first two had to be killed because there was nothing to feed them, and when the feudal landowners ruled unchallenged by any merchant class, and the advance of civilization was blocked.

Aside from such a ghastly fate, there are for the Japanese two possible solutions to their economic problem. One is widespread free trade. If Japan as long as commercial intercourse between the Islands and the rest of the world is unrestrained, ~~the Japanese are free to~~ <sup>the up ships</sup> there is no peculiar Japanese problem. This is what the Japanese did for as long as they could, up to about 1930. They had some tariffs, as did their European counterpart England, but, like England, they recognized their dependence upon foreign trade and were fundamentally trading a free-trade country. ~~This course of action~~ <sup>of conquest</sup> The other possibility for the Japanese is autarky. Since this is impossible in the Japanese islands alone, a policy of autarky involves Japanese conquest of foreign countries. As long as their trade was not unduly constricted, the Japanese committed no greater sins than any other country. But when the neo-mercantilist policies of the British, the Dutch, the Chinese, and, most important of all, the United States, began in the 30s to slowly stangle Japanese industry, their choice

ships



was clear: conquer or starve. They <sup>put</sup> turned their national destiny in the hands of the militarists.

~~all~~ There are those who say that we must fear Japan, because  
 a) They have a national plot, and have had ~~for~~ ever since the Meiji revival, to conquer the world; and, b) They wish to ruin our country with the competition of their cheaper labor. Both charges are ridiculous.

There are, of course, militarists in Japan who look to foreign conquest as a desideratum. ~~But\*it\*is~~ Such people have written books and made statements about what they would like to see Japan do which have been seized upon by chauvinists in this country as proof that the Japanese nation lives but for conquest. But we have thousands of similarly perverted characters in this country. ~~As-long-as-ne-great~~ Every country has. As long as the majority of people are content with their lot, they keep such people in their proper place. But Japan ~~has~~, for the reasons already outlined, has always been peculiarly ~~susceptible\*to~~ interested in the policies of foreign nations, and has felt that for her security she must be ready to resort to force. Her militarists, therefore, are more prominent than ours, at present. But their ideas would not get a hearing in a Japan properly provided for in the peace.

<sup>classic</sup>  
 b) To even mention all the free trade arguments which disprove the popular fantasy regarding the threat of Japanese imports is impossible here. But I will say this: as a rule, our exports to Japan considerably exceed our imports from her. When we block Japanese trade in order to "protect" producers of toothbrushes and paper dolls, we prevent the Japanese from buying our raw cotton, and bring