

MEMORANDUM ON POLICY TOWARD JAPAN

November 1935

We realize that Japan is continuing to press our Government for further privileges and control, not only in North China but extending throughout the country. We also realize something of the peril for the Government and for the nation if no reasonable means of settlement can be found. We wish in a small way to support our leaders against those whose judgment is obscured by fear, by despair, or by group emotion; and to offer aid toward courageous decision on the basis of careful thought for what will do most to protect the improvement and development of China on the progressive lines attempted in recent years.

We believe that the Government itself feels the necessity for forming now a definite and firm policy toward Japan, with positive efforts to meet the Japanese advance. As soon as possible the direction of this policy should be made known, with an appeal for public understanding and support, which would largely replace the present fear and distrust that inevitably arise from official silence and unofficial rumors. Such a course, with reasonable relaxation of censorship, would increase confidence and courage among official circles as well as among the people, and provide a better basis for opposing unreasonable demands. It would also gain understanding in other countries of the crisis now confronting us.

I. The Government has honestly tried to avoid trouble with Japan. But past submissions have failed to bring relief from continued Japanese aggression, and a more vigorous policy must be found. Many persons naturally propose armed resistance. But we respectfully suggest that this should not be the first or main reliance, for the following reasons:

- A. The internal weakness of China at the present time:
 - (1) Economic. The general poverty is now emphasized by unusual depression, troubles of banking and currency, flood and famine; while heavy taxation does not meet even the normal needs when war is not expected.
 - (2) Political. Unification is not yet complete, and the conflicting interests of South, West, and North are further complicated by personal and factional ambitions as well as by communists and other hostile forces.
 - (3) Industrial. We have not the materials nor the equipment for manufacturing many of the essentials of large-scale warfare, and what we do have is largely dependent upon imports or upon the coast cities at once vulnerable to Japan.

- B. The probable results of warfare. Because of the great superiority of the Japanese in artillery and in airplanes, the power of their navy to take the chief cities of China and also to provide for the landing of troops at will (as at Lu-ho), and their overwhelming economic and industrial resources as compared with China's, disastrous consequences must be faced:

- B. (1) Blockade with seizure of the chief ocean and river ports, and possession of strategic points on the eastern and central railroads. This would quickly break down effective resistance by China, and would prevent any real development in the future.
- (2) Utter financial and economic collapse, involving all banks and all extensive trade. Misery and starvation for many millions of people, in addition to the vast numbers already in distress.
- (3) Failure of government securities and of all normal means of borrowing. Loss of most of the government revenues (customs, salt, commodity taxes centered near the coast, and so on) at the very time of greatest financial necessity.
- (4) Psychological and political perils on our side--discouragement and division in repeated defeat, the opportunities for puppets and traitors, the practical difficulties of cooperation among remaining leaders without good communications and necessary finance.
- (5) Grave injury to national unity through Japanese partition and occupation, with their effects upon Chinese political organs and local interests.
- (6) Risk of communism and disintegration in a situation of bankruptcy and weakened government, with general discontent and bodies of defeated, unpaid soldiers to reckon with.
- (7) If pushed into far western areas, the Government would have such poor communications and such a limited base in finance and in mineral resources that it could do little for the rest of China.
- C. There is no real hope of alliance or of considerable foreign aid at this time:
- (1) The United States and Great Britain are increasingly determined to avoid war as a matter of major policy, and certainly so for anything less than a question of critical importance to them. For them and for other western countries, the wish to avoid difficulties in the Far East is intensified by the internal problems of the economic depression and by the pressing fears and crises in Europe.
- (2) Russia is so much occupied with basic internal development that she has continually submitted to any sort of Japanese provocation that did not seriously invade Soviet territory. This attitude is further confirmed by the fear of German action in the next two years, and corresponding anxiety lest any quarrel with Japan would invite Germany to attack at once and involve Russia in disaster.
- (3) Russia's actual relations with China must be honestly faced. The reality has been a double policy--Red Imperialism in Manchuria (as in 1929), in Mongolia, in Sinkiang; violent social revolution, supported directly and continuously against the Kuomintang, "the bloody butchers of the workers and peasants". Can the Russians give aid, considering their distance and means of communication? Would they give aid, in view of their own problems and attitudes? If so, what would be the true purposes and the probable results of their intervention in a weak and precarious China? What would be its effects upon Japanese policy, and upon the attitudes of other countries?

II. The great risks of armed resistance should not be run unless every possibility of negotiation and adjustment is exhausted. Real hope for the future must be based upon vigorous improvement in China with alteration of the international situation.

- A. The one thing certain is that the conditions of five, ten, twenty years ahead will be greatly different from those of today: critical changes are possible in Japanese internal position and policy, in British and American situations and foreign policies, in the League and collective international action if the next two years in Europe drive the nations more and more to depend upon that method. Compare the opportunity of Japan in 1915-1920, extending her place in China, in the Russian sphere of Manchuria, and in Siberia as far as she wishes; yet required to give up a great deal of that extension by the international pressure of 1920-1922. But if China's present situation is greatly worsened by continued passive agreement to Japan's encroachments, there is little hope for the future. Likewise, if the situation is fundamentally altered by war and Japanese conquests, internal improvement and external aid become much more difficult.
- B. Thus there is imperative need for vigorous negotiation, to grant what can reasonably be granted to Japan, and openly to stand against any commitment that would hinder fundamental progress in the future. Our Government could take a good position by promptly proposing some adjustments on its own initiative:
- (1) Economic cooperation should be favored wherever due regard for the interests of both countries can be maintained. Technical experts and advisers should be welcomed wherever administrative freedom is not infringed.
 - (2) Tariff revision should be considered in a friendly manner, and favors granted on a basis of reciprocal advantage.
 - (3) Improvement of international communications should be furthered for mutual benefit. For example, joint or reciprocal air services operating from China to Japan and "Manchoukuo" might be suggested. It is far better to arrange on a commercial basis what otherwise may be forced upon us by a
- #(4) political or even by a military move.
- C. On some matters much might be yielded in negotiation if more safety could thereby be secured for the development of basic central interests in our country:
- (1) More concession in economic opportunities in North China than for the country as a whole, realizing that there we have an extended land frontier with Japanese interests, that through communications have a long and useful history and are now reestablished, the actual political and military control by our own Government is not adequate over some of our own officials, and already we have been pledged in various agreements to recognize a special situation in the northern provinces.
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- # (4) If the Japanese Government will show reciprocity in friendly management of its policies, and will restrain the declarations of its officers and official news services, the Chinese Government will be aided in its strict control of anti-Japanese activity.

- C. (2) The recognition of "Manchoukuo", in view of the fact that we have already dealt with them in frontier matters and in communications, and probably must do so more extensively in the tri-state economic cooperation emphasized by the Japanese. Such recognition should be considered only if it brings great advantages, and if it is approved in Geneva as part of an entire settlement of Sino-Japanese relations. (Since these conditions have come to seem impossible of fulfillment sponsors of this memorandum no longer suggest recognition of Manchoukuo.)
- D. There are some possible demands along lines on which the Government has at various times felt it necessary to yield for the sake of peace. But continued concessions in these matters would seriously damage the sovereignty of China and restrict our development, and ought therefore to be openly refused:
- (1) Interference with internal administration.
 - (2) Control of military development. The suggested "joint action against communist" should be carefully guarded in accord with these principles.
 - (3) Control of natural resources.
 - (4) Control of communications.
 - (5) Dictation as to currency or loans.
 - (6) Restrictions upon normal economic relations with other countries, and upon foreign connections in general.
- E. In the course of negotiations, certain principles may be usefully set forth at whatever time and in whatever specific applications may prove most advantageous:
- (1) Constructive and lasting cooperation must be on the basis of bilateral interest and benefit.
 - (2) The greatest aid to economic improvement in China and to Japanese trade with China would be the restoration of normal relationships between China and Japan, based on mutual respect and general international practice.
 - (3) We share the Japanese fear of radicalism in a country bordering Russia for thousands of li, and are surprised that steps are proposed by Japan to weaken the actual power and also the standing of our National Government, which has stood so firmly against the Reds and is regarded by them as their determined enemy.
 - (4) Anti-Japanese movements have been closely controlled. Lasting removal of anti-Japanese feeling can be brought about by fair and friendly policies on the part of both Governments, each with consideration for the internal problems of the other.
 - (5) The carrying out of the whole program of negotiation here outlined may perhaps be supplemented by (a) special effort to maintain the highest quality of diplomatic representation in the capitals of the Great Powers and at Geneva, in order that the explanation of China's position may come with effectiveness and tact: (b) the sending of well selected generals to Tokyo to get into direct touch with leading Japanese military men in regard to the entire relationship of the two countries.

III. A. Our real policy should be active, intelligent negotiation; compromise where possible, but vigorous maintenance of the essentials of national life. If after effort in constructive negotiation, the demands prove too great for any settlement, they should be openly refused, and a frank statement made to the Japanese, to the Chinese people, and to the world, something on these lines: "We have fully shown our willingness to cooperate on any reasonable terms beneficial to both countries. But we cannot honorably agree to a program that will greatly injure our own people and their future. If these relationships are to be decided by warships, artillery, and bombing-planes, we plainly recognize that we are not able to contend successfully. But we give warning that excessive pressure upon the Chinese people will tend toward making a disorderly and radically-minded nation, instead of the stable and soundly progressive one that is really in the interests of Japan as well as of China. If the relationships are to be decided by reasonable adjustments of the interests of neighbors, according to normal and healthy international practice, the present difficulties can soon be removed. We cannot and will not throw away the welfare of four hundred million people nor break the essentials of our treaties with fifty nations."

B. In such a position China would be absolutely in the right and Japan absolutely in the wrong. Any act of force by Japan would stand utterly naked and impossible to cover by excuses. All forms of non-cooperation, including boycott, would be fully justified and approved. The Government may well consider the Germans' peaceful resistance against France in the Ruhr, and the concessions won from Great Britain by spiritual strength in India. The Situations may be different, but valuable suggestions may be gained from such achievements. There would also be the best possible basis for sympathetic aid by other countries and for collective action when European difficulties are lessened. Since 1931 the Lytton Report and the Assembly's vote definitely crystallized western opinion on Japanese policy; Italy is terribly isolated; and gross aggression by Japan with continued injury to western commerce would work toward sharp opposition in the Far East. On the other hand, military acts on China's part interrupting and confusing the negotiations (no matter how well the acts might be justified in themselves) would seriously obscure the issue. Caution in this line would not damage China's military position, for in the nature of the case ultimate recourse to arms would not aim at sudden strokes, but rather at long-time and wide-spread resistance to Japanese invasion.

C. We are not ready to say that this plan will work out with complete success. But under the actual circumstances, we believe it is the best line of policy that we can follow. If carried out wisely and persistently, it has a good chance:

- (1) to secure moderation of unreasonable demands;
- (2) in case the moderation is still insufficient and no conciliation is possible, to put China in the best possible situation for standing firmly against Japanese pressure, with unqualified good will toward us and hostility toward Japan among the other nations.