

APR 10 1936

CAUTION

SUGGESTIONS ON POLICY TOWARD JAPAN

The views and suggestions respectfully presented hereinafter are intended to support the Government in a firm stand to maintain the rights, the welfare, and the way to future development of our people. We have confidence in the purposes of our chief leaders, and wish merely as good citizens to show a constructive interest in the most critical problem of these months. Our preparation has tried to secure the benefits of cooperative thinking by persons of varied experience and background, and has included first-hand investigation of conditions and of opinion both in Japan and in North China. If our statements can give aid in the analysis of possible courses of procedure, or can give some small confirmation of careful judgment already made, we shall be fortunate.

We are conscious of three anxieties among intelligent friends: (a) Concern over the yielding of important rights and interests by local or subordinate officials. This dangerous tendency should be displaced by straightforward central negotiation that would force the Japanese to show their position plainly, and would probably check the ambitions of some of their officers. (b) Concern over the general ignorance of the essential facts and problems of our present relations with Japan. There has been some lack of proper support for the Government because of the fear that injurious agreements or concessions have been made in secret. Moreover, the issues are now hidden from moderate elements in Japan and from friendly opinion in other countries, where it is thought that certain of our officials have more or less willingly participated in vague and concealed compromises with the Japanese. (c) Concern over the possibility of "defensive preparations" made in natural resentment and despair, and unwisely pressed forward by certain groups. Such military steps might all too easily bring us into war, with terrible consequences for our future, to say nothing of immediate sufferings among a poor and unorganized people. The Japanese generals know how to make good use of any situation that would enable them to take the most valuable portions of our country by right of conquest.

We, therefore, advocate vigorous central negotiations and an effort to straighten out the major relationships of the two countries if at all possible; and to demonstrate in full sincerity, alike to responsible public opinion in this country, in Japan, and in the rest of the world, that the Government has done all in its power to meet the situation reasonably.

A. RESPONSIBLE NEGOTIATION

In order to follow such a policy, it is absolutely necessary that there shall be no local arrangements with Japanese officers, but that all international issues be referred immediately to Nanking; also that there be no vague or oral "understandings" and "agreements" capable of unjustified extension at the will of the Japanese, but only properly constituted negotiations leading to written agreements promptly published. This course is the best defense against illegitimate methods of pressure by the Japanese, and equally against distrust and lack of support from our own people at a time when the Government

has desperate need of the utmost sympathetic understanding at home and abroad. Our Ambassador in Tokyo, supplemented by other designated persons, should aid the progress of the main negotiations in Nanking by continual endeavors to secure the understanding and respect of important elements in Japan. Our representatives in Japan should be courageous as well as courteous in making known the issues between the two countries, and our stand upon them.

B. PREPARATION AND CONDUCT OF NEGOTIATIONS

(1) Procedure and tactics for negotiation should be worked out immediately, subject to choice and change according to circumstances. The highest quality of personnel should be promptly and continuously at work upon this problem; for delay or carelessness may be costly to the whole nation. We respectfully suggest that the President of the Executive Yuan should appoint for assistance to the Ministry of Foreign Affairs, small commissions of experts to be ready for report of facts, recommendations, and consultation, considering in advance as many phases of their subjects as may arise in the negotiations. Commissions should deal with communications, the tariff, outstanding loans, currency and banking, exploitation of natural resources, military questions, legal issues. The cooperation of appropriate Ministries and local authorities should be sought from the beginning, both for the sake of efficiency and in order to secure mutual understanding and a spirit of combined effort throughout government circles.

(2) There should be prepared at once for the negotiators' own use, for possible employment in conversations with the Japanese, and for the publicity at chosen or necessary times: (a) a factual review of the Japanese advance since 1932, showing the procedure of their military men in China, the actual injury to Chinese sovereignty and interests, the conciliatory response continually adopted by our officials; (b) full information as to relevant agreements and understandings of all sorts, and as to actual working relationships in Hopei, Chahar, Suiyuan, and Fukien; (c) all available details that throw light upon the probable Japanese policy in China, special points which they are likely to press, and so forth. These statements should be prepared by high-grade men, in such form that they can be absolutely depended upon for accuracy and reasonable completeness, and accompanied by documentary evidence in every possible case.

(3) The spirit and attitude in which the negotiations are begun and carried on is of the utmost importance. Our country should take the position that we want peace and opportunity for reconstruction, to continue with the encouraging internal progress of recent years. Our Government is respecting all normal and legal rights of Japan, and intends to continue to do so. Aggressive military acts in the northeastern provinces, Jehol, and along the Great Wall, have been borne with remarkable patience by the Chinese nation. Even now we wish to understand Japanese desires and to make any adjustments to meet those which are also properly considerate of the rights and interests of our own people. Since we must sincerely do our best to work by the method of negotiation, we should not at the same time

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make a display of military preparations, particularly those involving the general public. (Development of the army and related projects could go forward normally.) Moreover, the negotiations must be carried forward with honest patience and persistence, realizing that many apparent deadlocks may occur, and that long endurance of difficulties may be required.

(4) The situation demands constructive guidance of public opinion in conditions that will increase public trust. There should be an educative program of conferences with editors and chiefs of news services, and of speeches and articles carefully and frequently prepared by well-selected leaders, which shall present effectively to the people the actual problems of relationships with Japan and how the Government tries to meet them. Without undue publicity as to matters that must for the time being remain confidential, it is nevertheless imperative that far more satisfactory information be supplied in this time of dark distrust and misunderstanding. Greater freedom of public discussion and publication on the international issues is an essential element of confidence. Within reason, the more the Government trusts the people, the more the people trust the Government.

C. HIROTA'S THREE PRINCIPLES

If there is stress upon the three principles of Premier Hirota at the outset of the negotiations, they should be taken up for discussion in a cordial manner, but with frank objection to their sweeping generalizations.

(1) Our Government fully agrees in the effort to place Sino-Japanese relations "on a firm, friendly basis", and takes its various positions in the negotiations as implementation of that purpose. Obviously, friendly relations can be based only upon respect for territory and for sovereign rights. Moreover, China cannot agree that "friendly relations" require the maintenance of severe censorship and the revision of educational practice at the dictation of Japan. Our Government has faithfully withdrawn any sort of official support of permission for boycotts or anti-Japanese agitation, and has by its own action restrained the press from natural comment and even from normal reporting on many injuries that it has suffered in the past three years. It is impossible for any nation to go farther in this direction than the Government has already gone, in the face of great provocation: and this control of newspapers cannot rightly be maintained indefinitely, or under Japanese interference. Control for the sake of courtesy is justifiable only if it is reciprocal and voluntary. Moreover, we should assert unequivocally our rights of patriotism and national expression both in education and in public statement; there is no just objection to our being "pro-Chinese".

(2) China has already shown a cooperative attitude toward "Manchoukuo" by the conclusion of agreements regarding transportation, postal and telegraph services, and provisional arrangements along the frontier. Without assent to the forcible detachment of territory, our Government should be willing to make further adjustments of that character in any de facto manner that is mutually beneficial to the populations on both sides of the existing frontier. As to economic

cooperation of Japan, "Manchoukuo", and China, we should show a favorable attitude and proceed at once to concrete problems as hereafter suggested, without being bound in advance to undefined acceptance of future dictation.

(3) Our Government might make a declaration or even an exchange of notes reaffirming its practice and policy against communism, and stating its willingness to interchange information regarding any communist activities in the north and northwest of interest to both countries. But we could not agree to an all-inclusive pledge of "Joint action against communists" that could later be used by Japan to interfere with the Chinese army and with lines of communication, or to compel united war upon Russia.

D. GRIEVANCES AGAINST JAPAN

Both for the remedy of previous and continuing injury, and for the sake of taking a vigorous position in the negotiations, the Government should press a number of issues against Japan. The requirements for redress and remedy should, where desired, be introduced as making effective the mutually desired policy of establishing normal friendly relations. On the following matters, for example, there should be concrete and documented evidence, prepared by skilled men in contact with the local and departmental officials most concerned:

(1) Military pressure in the Hopei-Chahar area, and continual interference with the administration established there.

(2) Extensive smuggling by Japanese nationals under protection of extraterritoriality and sometimes directly of Japanese officers.

(3) The notorious drug traffic in contravention of Chinese laws and to the great damage of the people.

(4) Defiance by Japanese banks of the legally adopted currency regulations of the Chinese Government; and apparent Japanese opposition in Hopei to use of the notes of the national banks.

(5) General abuses of extraterritoriality, including indiscriminate registration and protection, and the immunity of discreditable persons to effective police and jurisdictional control.

(6) Interference with administration in various parts of China, as for example in railway matters and in police functions.

(7) Unauthorized flights by military airplanes over Chinese territory.

(8) Injurious and provocative declarations by military officers and government news agencies, flatly contrary to a policy of friendly relations.

(9) Gross challenge to sovereignty in the assertions of high Japanese officers that the National Government is not free to deal with "autonomous movements" in North China.

E. POSSIBLE ADJUSTMENTS ON THE PART OF CHINA

In considering the negotiations with a view to anticipating Japanese demands, the Government would gain by readiness and even by initiative in offering at the proper stage to do all that is possible to meet Japanese desires, rather than by waiting to be pushed into a position where no bargaining is possible, and where the procedure of the ultimatum is likely. This attitude is the effective complement of the intention to stand firm against unreasonable and grossly injurious demands.

(1) Facilities for air services between China and Japan and "Manchoukuo" should be offered on the basis of joint enterprise or of reciprocal benefit.

(2) Through railway services, which have already been started, could be regularized and extended on similar principles.

(3) Japanese experts may be invited, particularly in agriculture and industry, but only as technical consultants and not as administrators. Such arrangements should not limit the freedom to secure experts from other nations.

(4) Railway materials should be purchased from Japan wherever technical and financial conditions are favorable, by lines in which Japanese capital has a preponderant interest, just as other lines under similar conditions now give reasonable preference to tenders from particular countries.

(5) Tariff policy should consider the interests of Japan with friendly concern, on the basis of mutual benefit and within the scope of a fair deal for Chinese interests. China is, however, unable and unwilling to act contrary to her general commercial treaties with other nations.

(6) The Chinese Government will encourage the growth of cotton in North China, and its sale to Japanese industry in a free market. This policy cannot be carried to a point of injury to rural economy or to Chinese mills.

(7) Japanese needs for minerals will be considered in a friendly manner, but with due regard for China's sovereign rights and for the economic development of our own people. Excessive and exclusive demands for the transfer of mining rights cannot be accepted.

F. THE NORTHERN PROBLEM

(1) De jure recognition of "Manchoukuo" should not be accorded. The Government should assert and maintain its sovereign rights in Hopei and Chahar. The relations of the local Governing Council to the National Government should be continued or restored, even if under the nominal procedure of the Council. If we are pressed to change the status of Suiyuan, that province could be considered as falling into the same class as Hopei and Chahar. All questions of

national import should be referred at once to Nanking, and should receive immediate and careful reply from the capital. In particular, national rights and national organs should be guarded as thoroughly as possible in such critical issues as the fixing of tariffs, preservation of unhampered trade with the rest of the nation, integrity of the customs administration, responsibility and services for the national debt, currency, banking, railway administration, educational policy and such educational administration as is now national. The Japanese should be strongly urged to repudiate their connections with the East Hopei Autonomous Government, and to permit the re-establishment of a unified administration: similarly with the hsiens of Chahar seized by troops from "Manchoukuo."

(2) It is highly necessary that close contacts be maintained with the chief officials in Hopei and in adjoining provinces, as well as in Fukien, with the use of trusted personal representatives and authoritative messengers who should be able to prevent possible misunderstandings and dangerous difficulties in time of crisis. In looking ahead, there may be especial need for encouragement in Shantung, and for strengthening the dependable leaders in Fukien. Our military weakness makes it all the more important that policy and relationships be clearly understood in a cooperative spirit among the men on whom difficult responsibilities are placed. There should be no risk that any one feel himself isolated, or imagine that he does not enjoy the confidence and support of the National Government on the lines of a mutually known policy.

G. OUR ULTIMATE STAND

(1) We have tried to set forth a firm but reasonable position on the issues with Japan. If the Government is compelled to yield more, let it be by naked force, not by complicity or weakness of any of our officials. There are signs that the Japanese are glad to get what they can by threats and by political strategy, with force in the background. But important elements in Japan fear expense, fear complications in view of a possible war with Russia, or fear eventual international hostility to an open program of imperial expansion. We do not dare to assume that these elements are able to control the ambitious militarists or to counter the nationalistic tendency to extend Japanese power. But they are a retarding and restraining influence: and that influence cannot operate when the military men's manipulations are covered up by apparent Chinese participation and agreement, as is the case already with some officials in Hopei and Chahar.

(2) Part of the national dilemma seems to lie in the unconscious assumption that a firm attitude and refusal of wrong procedure or wrong pressure in North China would lead to war, with results fatal to our country. We respectfully suggest that this assumption be examined. When faced by firmness combined with moderation and a wish to make a general settlement, the Japanese may modify their attitude. If they do turn once more to armed pressure, the Government might well distinguish between concessions that it would make if compelled by actual use of force, but over which it would be wrong

in international relations. Petty playing for time by delaying negotiations in detail is of no avail; but in the longer view, to pre- 7.
to start a course of military action leading to general war; and on the other hand, concessions that it could not make under any conditions, because they would subject the major portion of our people to Japanese interests and Japanese policies. Since war would almost certainly mean the economic and political subjection of the most progressive and most prosperous parts of our country, and therefore the impossibility of our revival and development in any measurable period of time, we ought not to take steps that invite a military struggle for any lesser stakes. Specifically, some would suggest that if the choice is clear between probable general destruction and some sort of compromise, we should yield certain points in economic matters beyond those set forth above, or in the de facto regularization of present arrangements in "Manchoukuo", Hopei and Chahar. Such compromise should be a last resort of negotiation, and only after the most careful consideration as to whether it would prove to be any real protection to the major interests of our people. We do not see how any other sort of yielding could be justified. It would be highly desirable for the heavy responsibility of such critical decisions to be shared in consultation with important official and non-official leaders from the chief regions of the country.

(3) The Governments even of Great Powers have in various circumstances been compelled to give way before superior force and to relinquish territory or rights, seeing clearly that to begin or to continue a struggle under those conditions would result in vastly greater losses to their peoples. That was patriotic wisdom. In some cases the governments taking such a stand have plainly said that they did so under duress, with open protest against the injustice forced upon them. Their own people and the opinion of other nations have understood the situation, and usually it has been possible to secure redress at a later time. But this stand is patriotic only if the Government has used its fullest human resources in vigorous and wise negotiation, and with firm refusal to become partners with Japan in the continued partition of our country. When officials have honestly done the best they could for their country under hard conditions, they can keep the trust and support of their people and the respect of the world by making the facts clear.

(4) That the feelings of our people should incline toward armed resistance against Japan is only natural. But we venture to refer to a previous Memorandum in which we considered our inner weakness, political, industrial, and financial; and the probable disastrous results of attack by the greatly superior artillery air force, navy, and industrial might of the Japanese. Our ports, our main communications, our new factories, our financial and commercial centers with our chief sources of revenue and loans, valuable resources along the coast and navigable rivers, would doubtless be seized within a short period. In complete economic collapse and loss of necessary communications, it would be difficult for the divided country to maintain any effective cooperation either against the Japanese or against unpaid soldiers and the dangers of communism. It is obvious that there is no real reason to expect foreign aid at this time, though we should try to follow a policy that will make such aid possible at some more favorable period

in international relations. Petty playing for time by delaying negotiations in detail is of no avail; but in the longer view, to preserve as large a base as possible for our nation is high statesmanship in comparison with quick destruction by immediate war. The dangerous pressure may be lessened if Japan exhausts herself in war with Russia, or arouses general opposition by her imperial advance, or falters in factional and class dissensions. Moreover, Japanese expansion has been irregular, and inner strains may bring a shift at any time.

H. CONCLUSION

Our program of suggestions, then, is threefold:

(1) Every effort to reach a settlement by negotiation, on lines fully explained above. This is the basis of policy.

(2) If negotiations fail, a positive refusal to slip loosely and timidly into acquiescence in Japanese demands; and at the same time, great caution to avoid if at all possible the terrible suffering and conclusive losses of war. Let all the possibilities of non-military resistance be explored and attempted. Strategic abandonment of certain areas might be desirable, if planned in a considered policy. Civil and educational officers should be encouraged to remain at their posts in a strong moral stand for national interests. The boycott and popular non-cooperation should also be organized. It is possible that local resistance by soldiers and police of an invaded locality might for a time be better than general war. Yet it could not be well or long maintained without active support from the National Government; and the tendency would probably be rapid toward complete war. Perhaps human nature cannot submit to some extreme pressures without armed struggle. But if the final result should be war and disaster, our children and the judgment of the world could never forget a failure to try to the utmost the means of diplomacy. We have not done all that can be done by the peaceful methods of reason and publicity; and that is the first duty. If we want a favorable attitude among independent minds in this country, among moderate elements in Japan, and among influential circles in western nations, our whole position must be made thoroughly clear. Action that is hasty, or concealed, or without thorough consideration of consequences, runs the risk of harsh judgment at home and abroad.

(3) There should be comprehensive and continuous appeal to the patriotism of the whole nation: (a) to press on with the fundamental work of construction; (b) to maintain the unity of the country as against all types of factional and personal interests; (c) to support the Government in a clearly explained effort to meet the Japanese problem; (d) to fight with self-respect and love for our people the evils of narcotics and corruption. This appeal should be not merely a series of proclamations, but should be developed steadily in a great educational and governmental program, using all available agencies for the spread of the ideas and for practical work upon the problems.

Let us meet the emergency of these years in a way worthy of the best elements in the spirit and culture of the Chinese race; firm reasonableness in negotiation; a vigorous appeal to constructive patriotism. A host of citizens will follow wise and courageous leadership from the Government.