EXPLANATORY NOTE TO ACCOMPANY

"Memorandum on Policy toward Japan."

I. NATURE OF THE JAPANESE PROGRAM IN CHINA. Concrete demands have not been presented (Nov. 25). Statements by the Japanese Foreign Minister, the Ambassador to China, the Commander-in-Chief for North China, and other official declarations mark out with repetition the following lines: Concern for raw material, especially in North China, and frequent reference to cotton and minerals. Control of the railways giving access to the Mongolian frontier, with a view to "joint action against communists". Insistence in varying degrees upon the autonomy or the detachment of North China, usually defined as five or six provinces reaching southward to include Shantung and Shansi. "Economic cooperation" without limitation of area, commonly with emphasis upon the relations of the three states—Japan, "Manchoukuo", and China. "Military cooperation", sometimes with specification of the anti-communist campaign, on the plea that there is danger of the communist elements fleeing to the northwest. "Cultural cooperation", which is explained as the revision of school textbooks and the suppression of all anti-Japanese activities with control of newspapers. Revision of tariffs according to Japanese desires, particularly in North China. Abstention from international loans or the securing of any sort of international aid for China unless with Japanese previous approval.

These statements speak for themselves to any one generally familiar with the situation. It may be well to point out that since 1932 the Chinese newspapers and publishers have been under strict regulation, almost pitifully subservient to the desire to avoid offense to Japan. There has been no anti-Japanese movement of any sort, and remarkably few expressions of hostility have appeared. This is not to print even the despatches of the official Japanese news services, because in these circumstances they are provocative of anti-Japanese feeling.

II. SOME TENDENCIES OF OFFICIAL AND INTELLIGENT OPINION.

1. Since the pressure of last May and June in North China, an increasing belief that armed resistance is necessary. This includes the highest circles, with very few exceptions; and represents a marked change from any previous situation. There is difference of opinion as to when the resistance will become inevitable—or expedient.

2. In the stream of Japanese provocations and threats since September, a feeling that no reasonable process of negotiation has any hope whatever. There must soon be a choice between absolute submission with loss of an important part of the country and partial control of the remainder; or a war that would probably be disastrous.

3. The positive idea of war gains ground rapidly: (A) The desperate response to continued goading and intimidation, which is cumulative since 1931. (B) Some encouragement by the uncompromising stand of Abyssinia and the stirring of Europe by her resistance; the turn to collective sanctions; the active presence of Russia in the League. (C) Hope for Russian aid to China, not only on the grounds of the general setting and of her opposition of Japan, but in particular over the new threat to Russian interests in Mongolia and Turkestan. This hope is amalgamated with a wish to turn away from the Chinese civil war against communists, and to direct red activity against Japan, as the communists suggested in 1931. (D) With some persons a revulsion against the calculated "realism" which has always yielded to the threat of force, and a swing toward "idealism" willing to contemplate danger for self and country, to take the risks of a communist association with its danger to
the risks of a communist association with its danger to property and existing government, to feel that nothing can be worse than spineless submission by a government anxious to hold its own place. E. A strong sense that a clear call to stand against Japan would unite with the government those elements, especially in Canton and in certain Northern quarters, which have never been heartily cooperative. Moreover, boldness as against Japan is increased by the appearance of a full Cantonese delegation in the National Party Conference for the first time in a number of years, and is even turned into pressure on the chief leaders by the insistence of the Cantonese that a policy of resistance is the condition of their support of the Central Government. Thus any one who urges caution is made to appear as the immediate destroyer of national unity, though the realities of the Cantonese attitude are of course not so pure as the outward presentation. F. Finally, there is a strong inner pressure of accumulated restraint and suspicion, developed through three years of government subservience to the Japanese since the half-secret truce following the Manchurian and Shanghai conflicts of 1931-1932. The Chinese government has not openly dared to declare openly the nature of the understandings which the Japanese say were reached with them; and strict control of the Chinese press has accentuated the distrust, which is also kept alive by natural rumor and innuendo. In this atmosphere those who count the cost are considered as supporting dubious deals with the invader, and the desired relief is open opposition to oppression by Japan.

III. PREPARATION OF THE MEMORANDUM. A rigorous questionnaire upon the immediate problems of Sino-Japanese relations was presented to a group of Chinese professors of political science and international relations, two or three government officials concerned with economic matters, two or three Western friends, and (in private) to certain of the staff of the Ministry of Foreign Affairs. Two main conferences were held with careful preparation, as also many smaller discussions inside and outside this particular group. There was a considerable degree of unanimity as to the program of negotiation, though not as to the measure of reliance upon force. The memorandum was drafted by the initiators of the enterprise, with English and Chinese counterparts and much mutual criticism. It was warmly welcomed and approved in the Ministry of Foreign Affairs, and there is reason to believe that it is also being used in other high official circles.

The memorandum is pointed to practical politicians and military leaders with the primary aim of diverting emphasis from war to negotiation. All the ideas and to some extent the form are related to immediate conditions and opinions around us, and have been tried out and modified in frank discussion with interested and competent Chinese. Most of the thought is neither original nor unusual; but it is hoped that a brief yet fairly comprehensive statement will help to support healthy elements in official circles. Facts and probable consequences tend to lose their meaning in the swing toward force as the only response. Obviously the paper is not suitable for publication. It is being sent to a few friends as a contribution toward understanding of the situation at its issues. Generally the memorandum is considered to assume a reasonableness on the part of the Japanese which their current deeds and words belie.
JAPANESE REQUIREMENTS

1. The autonomy of the five provinces of North China (Hopei, Chahar, Suiyuan, Shantung, and Shanxi), with emphasis upon fiscal and administrative factors.

2. Economic Cooperation. According to some reports, Ambassador Kawagoe refused to define or explain this term in any way whatsoever. According to other reports, readjustments in China's tariff were required as a specific item.

3. The right to station troops in the ports of the Yangtze Valley and at Kiungchow (port of Hainan Island). According to some reports, Swatow was also named.

4. Complete suppression of anti-Japanese movements. The most common version of this requirement specifies the right to pass upon textbooks and to inspect schools when deemed necessary.

5. Dismissal of seven public leaders who are considered to be particularly responsible for agitation against Japan. Five names are reported to us as follows: Ch'en Kuo-fu, Ch'en Lih-fu, Feng Yü-hsiang, Yü Yiu-jen, and Sun Ko.

6. Recognition of Manchoukuo.

7. Joint action against Communists.

CHINESE COUNTER DEMANDS

1. A free hand to deal with the administration of East Hopei.

2. Suppression of smuggling. One report adds the illegal activities of ronin.

3. Withdrawal of the surplus troops from North China.


5. Cancellation of the restrictions placed upon China by the truce agreements of Tangkû and Shanghai.