

and forced out of China, an awakened China will invite the treaty powers to give up their concessions. For the British "Cliveden Set", this would mean a staggering financial loss.

For this very reason the British press in Shanghai and Hongkong have been, for months now, adopting a curious attitude toward the undeclared war. The British press has been emphasizing the Domei Agency (Japanese) war reports and ignoring the reports of the Chinese bureau. And according to one complaint from Shanghai, the British press has, oddly enough, been attempting to create the impression that Japan is waging a "righteous war".

The reason for this is now plain. For months, the Chamberlain Government of Great Britain has been attempting to reach an understanding with Germany and Italy. This was done at Munich. And since Munich, the British have fallen heir to a Japanese agreement to protect the interests of Japan's European allies in return for freedom

of action in China. In other words, by permitting the Japanese to control the coast, Britain receives security for her own possessions in China.

The implications of this are not considered as very promising for America's affairs in the Pacific. If any protesting is going to be done now in the Far East, Washington must do it alone, just as Washington must look forward to the day when moves to counter one nation's penetration in South America may be considered a move to counter all five of the mutually protective alliance.

With such an outlook, it is not hard to see forward to the time when the friends of democracy in the United States may be demanding a navy not only equal to the greatest, but superior to any other navy. The old legend about isolation and the protection of the British navy dwindles into the limbo of "Old Wives Tales".

## Japan Slams China's "Open Door"

By GEORGE S. S. YOUNG

WITH the evacuation of Canton and Hankow China embarks upon a new stage of her armed resistance against Japan's armed invasion. Exactly what will happen next lies in the laps of Gods, perhaps. But one thing is certain: that Japan cannot "beat China to her knees." For China's united front and stiff resistance during the past 16 months have not only surprised Japanese invaders and neutral observers but also the Chinese people themselves. China will fight on till Japan crumbles.

In a nation-wide message to his countrymen General Chiang Kai-shek appealed to all Chinese people to face the present situation with yet greater fortitude, courage and capacity for hardship and suffering. The Generalissimo pointed out (1) that China's main base for a war of resistance lay in her vast hinterland and not on her coast, and (2) that prolonged armed resistance and taking the initiative are the deadly weapons for crushing the enemy. Despite Japan's numerous attempts to spread rumors with a view to destroying China's unity and weakening her resistance, the whole nation enthusiastically supports the Government policy of armed resistance against Japan. Under General Chiang's leadership the Chinese nation is united and her power of resistance remains unabated. Indeed General Chiang is the one and only Leader in the gravest crisis in Chinese history, for as everyone can readily see, the name of C-H-I-N-A is closely linked with and mystically concealed in the name of C-H-I-A-N-G.

When the first shot was fired at Shanghai on August 13 last, it was conceded that China could not possibly win a decisive victory in view of Japan's intensive preparation for war for the past 20 years at least. Yet it was also admitted that in the face of China's united front and stubborn resistance Japan could not possibly crush China in the space of a few weeks, months or even years. Now with Japan's feet of clay deeply rooted in the Chinese quagmire it becomes increasingly clear that Dai Nippon is playing a losing game, as the war drags on indefinitely. Japan's gamble in China for a speedy victory turns out to be a

vanishing dream; whereas China's strategy of trading space for time is already bearing good fruit. When the Chinese air force made its maiden attack on the Japanese flagship *Idzumu* on August 14, 1937, China showed her first sign of determination to resist Japan's armed invasion with all her might. Little did Japan realize that the Sino-Japanese hostilities were destined to be a long-drawn-out affair from the very outset. In point of fact, the original ambition of Fascist Japan was to deal China a sudden and fatal blow as a stepping stone to her fantastic dream of her Asiatic or perhaps even a world, empire. But, to cope with China's determined resistance Japan was forced to draw upon and use up her military power originally reserved for tackling a first-class Pacific Power in a major war. The Soviet-Japanese clash at Changkufeng and its subsequent truce served to reveal Japan's real fighting power around the first anniversary of the current Sino-Japanese hostilities. Not a few keen observers pointed out in a prophetic manner that Japan's undeclared war on China will go through three stages: (1) Japan gains on the strength of her superior weapons, (2) A short period of stalemate with neither Japan nor China making any headway, and (3) China wins on account of her continued resistance and international reactions against the aggressor nation. So China's ultimate victory is not too far away—if, and only if, the Chinese Government and people would carry on the war of long-time resistance with undaunted spirit and undiminished energy.

Yet, as matters stand, China will win and Japan will lose in their present undeclared war not entirely on the battle front but in the diplomatic field as well. Japan's haughty attitude of disregarding the international aspect of the Sino-Japanese conflict is a tragic blunder in Japanese foreign policy. The failure to recognize other foreign rights and interests in China is evidently based on an arrogant assumption that Japan alone is charged with the divine mission of ruling the Far East. The unavoidable conflict of Japanese supremacy in the Orient with the rights and interests of leading neutral Powers was apparently

overlooked or ignored by Japanese militarists and politicians. They figured that John Bull and Uncle Sam could always be easily fooled by diplomatic bluff or economic discrimination, if not military threat. If so, Japan is only fooling herself, for under the intoxicating influence of Fascism Japan would be so doing sign her own death warrant. No wonder, the *Echo de Paris* (Oct. 25) commented that "It is not so much between Japan and China as between Japan and Great Britain that Far Eastern peace will have to be signed." This view sounds quite logical when we take into consideration the keen economic rivalry between the two island empires in the Chinese market.

At the present stage of the Sino-Japanese hostilities it is an open secret that Japan is bent on driving all third Power interests out of China. China's open door is being slammed in the face of all democratic countries having commercial relations with China, particularly Great Britain, U.S.A., France and U.S.S.R. In fact, Japan's military adventure in China since 1931 has been not so much an anti-communist campaign as an anti-foreign movement. Right after the fall of Canton and Hankow Japan did not hesitate to let the cat of the bag. On November 2 the Japanese Government declared that the establishment of a new order in the Far East on the basis of the tripartite relationship of mutual aid and co-ordination between Japan, Manchukuo and China is the ultimate aim of the present military campaign. According to the official statement that "Japan will not reject the participation of the Kuomintang Government in the establishment of a new order in the Far East, if it repudiates its anti-Japanese and pro-Communist policy and remoulds its personnel." The Japanese Government expressed confidence that the Powers will correctly appreciate Japan's aims and policy, and adapt their attitude to the new conditions prevailing in East Asia.

On the anniversary of the birth of Emperor Meiji (Nov. 3) Prince Konoye, the Japanese premier, re-stated Japan's policy toward China in the following words:

Japan lags behind no other country in appreciating the racial aspirations and sentiments of China or in feeling the necessity of China remaining an independent state.

History shows that the three great nations—Japan, Manchukuo and China—were destined to band together under a joint mission for safeguarding the integrity of East Asia by giving full play to their national characteristics.

It is deplorable, however, not only for Japan but for all East Asia, that the realization of this ideal has been thwarted by the mistaken policy of the Kuomintang Government. This explains why the present tragedy occurred, forcing Japan to take up arms against the Chiang Kai-shek regime and involving two brother nations in fighting each other. China should wake up and take part in the reconstruction of East Asia by giving full play to her great national character so as to impart a new light to the world of culture and leave posterity a history worthy of her ancestors.

China has hitherto been victimized by the imperialistic ambitions of other foreign powers, with her peace and independence being constantly menaced. Japan realizes the necessity of fundamentally revising such a situation and desires that a new peace, based on justice, be established in East Asia.

In such a diplomatic way Japan announced her new foreign policy—"East Asia for East Asiatics"—modeled on the Monroe Doctrine for American nations. It is a clever stunt, but it fools nobody! Prince Konoye's speech is a direct challenge to each and every one of the Pacific Powers.

For the establishment of a Japan-Manchukuo-China politico-economic system is tantamount to the abrogation of the Nine-Power Treaty signed at Washington on February 6, 1922. It will be recalled that the Contracting Powers—the United States of America, Belgium, the British Empire, China, France, Italy, JAPAN, the Netherlands and Portugal—desiring to adopt a policy designed to stabilize conditions in the Far East, to safeguard the rights and interests of China, and to promote intercourse between China and the other Powers upon the basis of equality of opportunity, have resolved to conclude a treaty for that purpose... and have agreed as follows:

1. To respect the sovereignty, the independence, and the territorial and administrative integrity of China;
2. To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government;
3. To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;
4. To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such States.

While Japan seeks to substitute a tri-partite system for the Nine-Power Treaty, the contracting Powers other than Japan and Italy still recognize the existence and validity of the original Washington pact. Not long after the outbreak of the Sino-Japanese hostilities, the Nine Power Conference was convened at Brussels on Nov. 3, 1937 and was adjourned on Nov. 25. It is an interesting coincidence that the first anniversary of the Brussels Nine Power Conference falls on the same day as the anniversary of the birth of Emperor Meiji (Nov. 3) on which Prince Konoye declared Japan's East Asiatic policy. In his statement to Mr. Cordell Hull, American Secretary of State, Mr. Norman Davis in his capacity as the chief American delegate to the Brussels Conference made public two glaring facts:

1. A demonstration of Japan's unwillingness to resort to conciliation.
2. A clarification of the fact that the Japanese continued to insist that the issues were exclusive to Japan and China, whereas the Conference Powers, except Italy, had affirmed that the situation concerned all members of the family of nations.

Mr. Davis also emphasized the point that the Brussels Conference, which Japan declined two invitations to attend, had not ended, but was in recess and subject to re-convo-cation at any time.

Japan's adamant attitude in refusing diplomatic intervention in the negotiation and settlement of Sino-Japanese issues was first advertised by Mr. Y. Matsuoka's walk-out of the League of Nations meetings and then reaffirmed by Japan's refusal to participate in the Brussels Conference. In the light of these facts it is not altogether surprising that on Nov. 3, 1938, Japan should openly denounce the Nine-Power Treaty in spite of the natural opposition of all other contracting parties with the possible exception of Italy.

When we try to analyze Japan's frame of mind, we cannot help being struck by a general wave of an anti-war

sentiment, due to a national contagion of war-weariness in Japan. With no end of the "China Incident" in sight Japan is already confronted with financial panic, economic crisis and political unrest. Moreover, Japan will certainly be weakened militarily by China's campaign of long resistance and rendered impotent to defend herself against an attack from a major Power, or even involve herself in any international incident. So, it is quite understandable that outwardly, Japan jubilantly celebrates her recent military success in China, but inwardly, Dai Nippon is piously praying for an early cessation of present hostilities. Playing a double personality in Far Eastern affairs—a sort of Dr. Jekyll and Mr. Hyde—Japan threatens to beat China to her knees and drive all third party interests out of China on the one hand; while on the other, she seeks to effect an immediate and honorable peace with China through the medium of a neutral Power or several Powers. Faced with imminent bankruptcy Japan is in dire need of funds to explore and exploit China's vast resources. By creating a state of virtual monopoly in North China she is merely demonstrating to third party Powers the probable fate of all other foreign rights and interests in China—unless interested Powers were willing to grant credits to Japan and recognize her special position in the Far East. This, in essence, is the aim of Japan's latest declaration of creating a puppet machinery of Japan-Manchukuo-China in place of the Nine-Power Treaty. It is the practical working of Japan's Asiatic Monroe Doctrine of "Asia for Asiatics" as enunciated in the Tanaka Memorial to the Japanese Emperor prior to the outbreak of the Mukden Incident in 1931.

To make Japan's ambitious policy in the Far East less unpalatable, Japanese propagandists and apologists in Europe and America have painstakingly worked out a plausible theory. In substance, it is like this: "China with Japanese assistance would accelerate her economic development and become an inexhaustible market for foreign trade and investment." But the only trouble will be that foreign trade and investment in China would have to be carried on indirectly through the ubiquitous Japanese compradore or middleman. As Nathaniel Peffer stated, "Western countries will have no place in China under Japanese control (and they) have nothing to gain from Japan's success in China and much to lose." (*Foreign Affairs*, October, 1938, p. 50). This is indeed a timely and significant warning to those foreign statesmen, financiers and traders who are still hoping for an early cessation of the Sino-Japanese hostilities and a quick restoration of their rights and interests in China. They do not seem to realize that China under Japanese control would be reduced to "a colony, protectorate or independent ally of Japan after the fashion of *Manchukuo*." They would have "A Chinaman's chance" to do any business of whatever character in the vast Chinese market of 450 million customers! It is almost incredible that Mr. Neville Chamberlain should feel confident or could find consolation in the prospect of making heavy capital investment in the speedy development of China under Japanese control. Of course, Japan wants to develop China with borrowed money. British capital investment in Japanese-controlled enterprises in China

would be most welcome; but to be sure, British financiers would have no voice whatever in the use of their own money, except perhaps a fair return on their investment. American and British business men in Shanghai saw the Japanese game through and through. Let us hope that their joint action and united front will before long arouse leading foreign governments to adopt effective measures of self-protection and mutual interest.

As a matter of fact, world-wide protest against Japan's increasing menace to foreign rights and interests in China has for the first time found expression in the firm attitude of the United State of America. On October 6 Ambassador Joseph C. Grew delivered a sharp note to Premier Prince Konoye then concurrently foreign minister. The latest note of the American Government contended that the Japanese in Manchuria and subsequently in China have discriminated against American trade despite repeated assurances of an "open door" policy and equal opportunity for Americans. The United States asked Japan to implement assurances already given with regard to the maintenance of the "open door" and to non-interference with American rights by undertaking prompt and effective measures to cause:

1. The discontinuance of discriminatory exchange control and of other measures imposed in areas in China under Japanese control which operate either directly or indirectly to discriminate against American trade and enterprise;

2. The discontinuance of any monopoly or of any preference which would deprive American nationals of the right of undertaking any legitimate trade or industry in China or of any arrangement which might purport to establish in favor of Japanese interests any general superiority of rights with regard to commercial or economic development in any region of China; and

3. The discontinuance of interference by Japanese authorities in China with American property and other rights, including such forms of interference as censorship of American mail and telegrams and restrictions upon residence and travel by Americans and upon American trade and shipping.

It is quite probable that the American Note to the Japanese Foreign Office was prompted or influenced by the 9-point petition of the Shanghai American Chamber of Commerce. But so far the Japanese Government has not yet formally replied. Perhaps the American Note of Oct. 6 might have precipitated or hastened the Konoye speech on Nov. 3 which was in itself a reply to the United States and a warning to all other neutral Powers.

Now the whole question of foreign rights and interests in China calls for a definite settlement. Japan has forced a "show-down." What ought the Western Powers to do next? After the League of Nations declared Japan guilty of aggression in China, leading Powers are supposed to apply individually economic sanctions against Japan. Once again Japan stole a race on the neutral Powers. Before any country actually applied sanctions, Japanese forces in China lost no time to create new incidents by bombing the *Sandpiper* and detaining the *President Coolidge*. Meantime, foreign business interests in China groaned under the pressure and interference of Japanese military authorities. Equal opportunity in China is but a fiction, when preference for Japanese business and discrimination against all other foreign interests have become the order

# PRESS COMMENTS

## THE FATE OF THE "OPEN DOOR" POLICY

(*Hwa Mei Chen Pao, Shanghai, Nov. 4*)

Premier Tanaka in his notorious memorial to the Japanese Emperor, writes the *Hwa Mei Chen Pao*, revealed clearly Japan's sinister signs. He declared that Japan should first occupy Manchuria and Mongolia, then North China and finally drive out all American and European influences from East Asia. This memorial embodies plans of conquest of the Japanese army, which have been carried out one by one faithfully by the Japanese military in the past ten years. The Tanaka Memorial has become the national policy of Imperial Japan.

Having occupied Manchuria and Mongolia, the paper continues, Japan is apparently embarking on the third stage of driving European and American influences out of East Asia. In view of the weak-kneed policy taken by the Western Powers toward many incidents in China in the past year involving foreign interests, Japan has convinced herself that she is in a position to drive out foreign interests in China. She is even prepared to break openly with any third Power, which may stand in her way to carry out her policy of hegemony.

The "open door" policy and the principles of equal opportunity to develop trade and commerce in China have been trodden by Japan's iron feet. If no action is taken by the Western Powers immediately, very soon, all their rights and interests will be wiped out from this part of the world.

Japan's military operations in South China, the paper opines, are nothing but a threat to the British and French authorities. Hongkong has already become a dead port. If Japan takes one

further step to occupy the Hainan Island, France will soon find it difficult to protect Indo-China. The French life-line in the Far East will soon be destroyed. As to America, the paper goes on, she has always been regarded by Japan as a thorn in her side because of America's adherence to the policy of upholding justice and righteousness. It will not be a surprise to see that the Philippine Islands will soon become a target of Japan's cannons.

Up to the present time, the paper points out, the Western Powers have suffered from trade losses as a result of the Sino-Japanese war. The "open door" in China which was opened by Mr. John Hay in 1898 and kept open by the Washington Conference in 1922 is being closed by Japan. Japan, who pledged her support to this "open door" policy as one of the signatory Powers of the Nine-Power Treaty has done everything to destroy it.

Realizing the real motive of Japan to monopolize the Chinese market by herself, the United States Government has repeatedly protested against Japanese interference of American interests in China. The American protests have become stronger and firmer but no satisfactory reply has yet been received from Japan. The American businessmen in Shanghai, who are directly affected by the Japanese interference have repeatedly appealed to their home government to take drastic actions to stop the Japanese. Mr. Plant, Chairman of the American Chamber of Commerce in Shanghai, has left for Washington to report in person to the American authorities the Japanese actions in China aiming to destroy all

foreign rights and interests guaranteed by the "open door" policy.

As to Great Britain, the paper continues, well-informed and far-sighted British leaders have long ago realized the serious threat to Britain from Japanese aggression. With the strong anti-British sentiment among the Japanese young officers, the general anti-British movement in Japan and the definite actions taken by the Japanese to defy British rights in Hankow by occupying entirely the ex-British concession, Japan has taken Britain as her enemy. The Japanese fascist papers have openly and boldly attacked Britain and declared that Japan would drive British interests out from China. They have even denounced the British Ambassador to Tokyo.

However, in his speech in the House of Commons, Mr. N. Chamberlain expressed optimism over the China situation and declared that British financial assistance will be asked by Japan to develop China. Expressing indignation over this statement, the paper says: "We hope the British conservatives will wake up and see clearly the real situation in the Far East.

At the present time, the paper concludes, when the United States demanded a showdown from Japan in regard to her attitude toward Western Powers in China, it is a God-sent opportunity for Great Britain to follow up the American protests and co-operate with America to check any further aggressive actions on the part of the aggressor in order to preserve their rights and interests in the Far East.

## FOREIGN INTERESTS IN THE FAR EAST FACING CRISIS

(*Yi Pao, Shanghai, Nov. 8*)

Foreign economic interests in the Far East, says the *Yi Pao* editorially, have had no safeguards since the Japanese invasion in China, apart from the reported Japanese "apologies."

of the day. Will neutral Powers tolerate such unhealthy conditions indefinitely? Since a European war was averted by Mr. Chamberlain's supreme bid for peace (at the expense of Czechoslovakia) and the Anglo-American trade accord was recently concluded, Great Britain should wholeheartedly co-operate with the United States and unhesitatingly solicit the support of France and Soviet Russia to apply jointly or severally economic sanctions against Japan without further delay. With the support of a Democratic Congress the American Government should seize the opportunity of matching an American New Deal with the Japanese "New Order" in the Far East. As an initial measure, the Roosevelt Administration should at once so revise the Neutrality Act as "to embargo credit and war materials to ag-

gressor nations which refuse to settle their disputes by peaceful means—Germany, Italy, Japan, et al."

It is as clear as daylight that in seeking to establish a "new order" in East Asia by denouncing the Nine-Power Treaty and closing China's "open door" to all other foreign interests, Japan has issued another challenge to Western Powers. There is absolutely no use to keep on protesting. It is both desirable and necessary to put teeth in the Nine-Power Treaty, the League Covenant and the Kellogg Pact, if China's "open door" were to remain open to all foreign countries without preference or discrimination. For there is only one way to answer force—that is, FORCE OF ARMS. Collective security is impossible when there is mere talk and no action. Military preparedness is the safe and sure

way to uphold international law and treaties and maintain world peace and justice.

Are the Treaty Powers willing and ready to call off Japan's new bluff? If so, let them do something now. To protect and restore their rights and interests in China all third Powers should immediately apply economic sanctions against Japan and equip themselves with strong army, navy and air forces to answer Japan's challenge at any time. When Great Britain, U.S.A., France and U.S.S.R. are so prepared to meet the Japanese menace in East Asia, there will be the dawning of a new era in the relations between China and other Pacific Powers. China's ultimate victory will mark the downfall of Japanese Military Fascism and the end of Japanese domination in the Orient.