I.P.R. NOTES

Bulletin of the Institute of Pacific Relations

No. 10 July, 1938

ABSTRACTS FROM CURRENT CHINESE AND JAPANESE PERIODICALS

NATIONAL AND PACIFIC COUNCIL ACTIVITIES

RICHARD L. PYKE

Published by the Secretariat

for the Information of National Councils and Members

Year 15 cents a Copy

INSTITUTE OF PACIFIC RELATIONS

PUBLICATION OFFICE: 129 EAST 52ND STREET, NEW YORK

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Published by the Secretariat of the Institute of Pacific Relations. Editorial and publication office at 129 East 52nd Street, New York. Subscription price 60 cents a year; single copies 15 cents. Printed in the U.S.A. by John B. Watkins Co., New York.

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ABSTRACTS FROM CURRENT CHINESE AND JAPANESE PERIODICALS

The articles appearing in current Chinese and Japanese periodicals supplement the material published in English, French, Dutch and Russian in such an important way that this issue of I.P.R. NOTES is devoted chiefly to abstracts of some of these articles published during February and March, 1938. These abstracts have been made as a part of the Institute's experimental bibliographical and translation service. A description of many of the periodicals in which the articles appeared may be found in the pamphlet, "I.P.R. Bibliographies," issued by the Secretariat in 1937 as a first step in the development of this service.

The Secretariat desires comments from Institute members and from the National Councils as to whether this sample service of abstracts is of sufficient value to make its continuance desirable either in I.P.R. NOTES or in some other form. Two methods of presentation have been used in order to ascertain which is most acceptable to Institute members. For the Japanese articles the abstracts are mainly descriptive. For the Chinese articles the resume method of direct but abridged translation has been adopted.

CHINESE PERIODICALS*

THE CHINESE FINANCIAL SITUATION IN 1937, *Bank of China Monthly Review*, Nos. 1-2, Jan.-Feb. joint issue, 1938, Shanghai.

During the year 1937 the general economic and financial situation in China has, due to the war, presented two contrasting periods. The first half of the year, the pre-war period, witnessed a steady rise in commodity prices all over the country. Since the prices of raw materials in China advanced on the average thirteen per cent as compared with the first half of the previous year, and since China is still an exporting country for raw materials, the general business

*Owing to war conditions, Chinese periodical literature tends to concentrate on the political and military aspects of current events. Current information dealing with trade and industry may be easily obtained, however, by consulting periodical literature in English, published in China.

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prosperity during this period can readily be inferred. The war and Japanese naval blockade created an entirely different situation for the second half of 1937.

Compared with the same period in 1936 Chinese imports in net total value increased by 37 per cent and Chinese exports increased by 46 per cent between January and July. During the second half year, however, the value of imports was reduced by 45 per cent and that of exports by 15 per cent.

Thus tax incomes have been greatly affected. Before the war the monthly average of customs revenue was 37 million Chinese dollars. Since last August it has been reduced by about 50 per cent. Salt and Consolidated taxes have suffered a similar drastic drop. The sound foundation of the present monetary system and the stability in foreign exchange, however, have pulled China through the war difficulties so far. In the meantime, greater reliance is being placed upon provincial finance and its administration.

WAR FINANCE IN CHEKIANG PROVINCE, by Chu Chia-hua, *Current Events*, Vol. 18, No. 5, March 10, 1938, Hankow.

Financial solvency is essential for the administration of any reconstruction measures by the government. Ever since being appointed Chairman of this Province, about a year ago, I have therefore devoted the greater part of my attention to consolidating the provincial debts, to the establishment of a budget commission, and to tax reforms. Of all the provinces, Chekiang has perhaps the heaviest burden in outstanding governmental debt. Yet within a brief span of half a year obvious progress has been achieved in debt consolidation, and the deficit of the Provincial budget for this fiscal year has been brought down as low as five million Chinese dollars.

Five months of war, however, have shattered our previous hopes of permanent financial reform. Owing to the war, the emergency expenditure of the provincial government totalled 3,180,000 Chinese dollars in five months, and out of this sum about 400,000 was spent on the wounded soldiers. Though the government has borrowed three millions from the provincial banks and one million more from the Central Bank, the gold reserve in the provincial treasury today still amounts to 3,290,000 Chinese dollars.

Following the example of the Central government which has reduced its staff to one-fifth of its original size, Chekiang has also done

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away with a large number of administrative posts on account of the war. Though tax reform has not yet been carried out as a whole, three items of levy representing a total of half a million income; the fishery protection fee, the boat excise, and a levy on the yellow sand on the water fronts, were abolished last year.

FUNDAMENTAL POINTS REGARDING OUR WAR FINANCE AND WAR ECONOMY, by Chien Tsen-jui, *War of Resistance*, Vol. 1, No. 5 & 6, March 23, 1938, Shanghai.

Any military operation in the long run must be backed up by a sound financial and economic policy and administration. In view of the huge loss that we have suffered from the war, in the forms of reduced tax income, of demolished factories, of devastated farms, of increased unemployment and of the sudden flight of capital, it is of the greatest and most urgent importance that we should immediately determine upon three fundamental points regarding finance and economy during war-time.

First, in matters of finance, the principle that "those who have money must contribute and give money" should be resolutely adhered to. China is not entirely a poor country. Our government reserve both at home and abroad amounts to more than three billion Chinese dollars, and the total bank deposit of Chinese citizens amounts to more than four billion. Private bank deposits held by the Chinese are over two billion Chinese dollars in Shanghai alone, and in a single bank, the Hong Kong & Shanghai Bank, Chinese deposits aggregate 700 million dollars. Nevertheless, let us ask what is the up-to-date subscription to the governmental bond for the war of national defense. Eight months after this 500 million dollar bond issue, only about half of the total was taken, and taken mostly by the relatively poor people. One would suppose that the placing of a 20 million dollar Provincial bond issue in rich Kuangtung would not be a difficult matter; but so far less than half of this sum has been subscribed. On the other hand, we know very well that within the first three months of the war many rich Chinese transferred their money abroad and the capital flight within this quarter of a year amounted to more than 100 million Chinese dollars. All this shows that certain rich Chinese, while witnessing many of their fellow countrymen heroically fighting the national invader and others becoming destitute refugees, have never been disturbed physically or

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perturbed mentally by the war. Why should our financial policy be one of exacting only from the poor and the helpless? Why should we strip the peasants and even drive them to join the undesirable camps of bandits and traitors? Today there is a real progressive system for property tax, inheritance tax, business tax and income tax. This is the surest way of strengthening the national treasury.

Secondly, the urgency of all our economic reconstruction should be considered with our national defense. Even the improvement of the people's livelihood may be regarded for the time being as a factor for strengthening our powers in resisting the invader. In the light of this we need to survey our raw materials carefully and to utilize foreign technique and even capital wisely, so that we may be able to build up a munitions industry adequate for our national defense. We also need to unify our military transportation as well as to secure safe routes for importing foreign munitions.

Thirdly, due concessions should be given to the democratic and friendly countries, particularly England and the United States, for their financial investment in China, perhaps similar to those made by the Soviet Union to the capitalistic countries in the era of what has been called New Economic Policy. These three fundamental points should be regarded as the corner-stone of our policy, a policy which if well executed will surely bolster up our military strength in this war of national resistance.

THE KEY TO NATIONAL SALVATION, by Wang Min, *Liberation*, Vol. 1, No. 30, Feb. 18, 1938, Yen-an.

The final result of the present Sino-Japanese war is not determined by the partial loss of territories and cities, nor by the partial military failure in the early stages of the war; the guarantee for the final victory is to be found in the faith and perseverance of resistance and in the solidarity of the 450 million Chinese people. The Chairman of the Military Affairs Council, Chiang Kai-shek, has said that what matters at present is not the external enemy but the strength of internal solidarity.

To strengthen and enlarge the anti-Japanese national united front, the first thing to consider is the strengthening and enlarging of cooperation between the two largest Chinese parties, the Kuomintang and the Communists. For this purpose it is necessary clearly to

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explain the basis of such cooperation and also to make and carry out concrete suggestions.

There are still people who do not yet thoroughly understand the basic problems of this national united front. They often fail to see that the first and foremost point, fundamental to this political cooperation, is to fight the invaders until they are driven out of the country. When they put up questions and problems other than that of national resistance, they may easily and unconsciously shift the chief aim of the national front, thereby causing internal friction and conflict.

Some people need advice on how to treat an enemy as an enemy and a friend as a friend. It should be constantly kept in mind that while facing a common enemy the weakness or strength of a friend and ally is equal to your own weakness or strength, and that to weaken an ally and yourself is obviously to strengthen your enemy. To antagonise and even suppress your ally on the one hand and to surrender yourself to your enemy on the other hand, is an undesirable attitude in political cooperation; but to maintain mutual respect, mutual faith and understanding, to render mutual help and exercise mutual supervision, is desirable as well as necessary for such cooperation. Those who intentionally or unintentionally treat the friend as the enemy will intentionally or unintentionally destroy the national front, thereby benefitting only the foreign aggressor.

There are still a few people who entertain doubts concerning the Chinese national united front, because they do not sufficiently realise the real position China occupies in the international situation. They have even been so misled as to believe that China will become Japanese in the case of defeat but will become Soviet or Communistic in the case of victory. They therefore tend to think of the present united front as a mere trick on the part of the Communists; a trick described as being designed eventually to oust the Kuomintang. Such an erroneous view is dispelled by consideration of the following two points.

First, the Chinese Communists, adapting to the external and internal conditions of China, have changed their revolutionary tactics; they have already shifted from a policy of sovietization to that of democratization of a non-socialistic order. They are aiming at a democratic political structure in which all and every patriotic and anti-aggression element must participate. Secondly, when the

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Kuomintang actively cooperates with other parties and succeeds in driving out the foreign invader, it will already have become a real national party and its leaders such as Chiang Kai-shek will have become national heroes. By that time who in China will be able to oppose the will of the people and oust the Kuomintang? By that time the Chinese Communist Party will also be one of the parties supported by the people, and these two main parties will have their friendship wrought in and deepened by the experiences during the war period and will continue to cooperate closely for the reconstruction of the country. Then one must understand that to defeat Japanese imperialism and to establish an independent and democratic China is by no means an easy task, nor can it be achieved in a short time.

It is necessary to establish a common platform for the national front; an organization by which the Kuomintang and the Communist Party can regularly consult each other and discuss together; as well as to intensify the degree and to broaden the scope of the national front, pertaining to the problems of the army, the government and the organisation of the masses. Concrete measures must be adopted to incorporate all the patriotic and anti-Japanese political parties in China into the national united front. The existing public bodies, guilds and professional organisations must also be taken into the united front to increase the strength of resistance to the Japanese aggressor. Above all, the vast mass of people who are as yet unorganized must be brought together to fight this war of national resistance. The cooperation between the Kuomintang and the Communists is only the beginning of the Chinese united front, which must be strengthened and enlarged.

ON THE PROBLEM OF POLITICAL PARTY, by Huang Hsuotsu, *The Path of Blood*, Vol. 1, No. 6, Feb. 19, 1938, Hankow.

Since the loss of Nanking and the entrance of the Sino-Japanese war into a new stage, a difference of opinion has arisen regarding the status of political parties in China. Some believe that there should be no party outside the Kuomintang, and no divided cliques within it. Others would like to see the co-existence of and cooperation between various political parties. Both these groups, however, have the common aim of strengthening China's national defense and

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her power to resist the invader. In any case, no dispute should be allowed to go so far as to injure the present national united front.

From the viewpoint of national strength, it seems that the one party system is most advantageous. National solidarity can better be expressed under one party than under several parties. As all Chinese parties have now declared their intention of following the line of Dr. Sun Yat-sen's three principles, they must entertain a common idea and strive for a common program and there is therefore no need for more than one party organisation. Moreover, China is at a critical point; its very independence is being threatened, and only national interests and not class interests should be considered today. All classes should be consolidated under one single party.

Although it is true that there can be national unity even with the existence of several parties, the content and substance of that national unity must be ascertained. National unity is not a matter of form, but one of force, not expressed on paper but by action. In time of war it is especially necessary for the government to control and regulate everything, thereby developing the country's fighting strength. If there is no unity of action, there can be no national unity; and if each party is to act for its own interest and for increasing its own power, the inevitable result needs no comment.

Well intended criticism of the government and constructive proposals are of course harmless; even legal activities to strengthen this or that party may be permitted; but once we have declared ourselves ready to support the ideology of one party, and to obey one government and one leader, we should not act in such a way as to weaken that party, that government and that leader. To weaken them amounts to weakening the fighting power of the nation.

In short, since we are all struggling for the realisation of Sun Yat-sen's three principles of nationalism, democracy and the people's livelihood, we should consolidate ourselves under the Kuomintang. Even though we may have more than one party, our activities should be entirely guided by one ideology, one party, one government and one leader. We need not dispute, for the people of today and the events of tomorrow will give the ultimate verdict.

ON PARTY DICTATORSHIP, by Mao Tse-tung, *Liberation*, Vol. 1, No. 31, Feb. 25, 1938, Yen-an.

Party dictatorship should not be identified with class dictator-

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ship. The Soviet Union is a nation under the dictatorship of the proletariat; it is a socialist nation of workers and peasants, but not a nation under party dictatorship as such. Indeed, generally speaking, no party can or should act alone as dictator for a class. Neither according to Marxian theory nor in actual practice is the dictatorship in the Soviet Union that of the Communist Party, but rather that of the proletarian class; the fact that the Communist Party is the vanguard of the proletarian class does not mean party dictatorship.

Why then is there only one party in the Soviet Union? The answer is very simple. Historically, the Russian people have deserted one party after another until now they support only one party, the Communist Party. Sociologically, in the present socialistic Soviet Union there is no social basis for the existence of any party, other than that of the workers and peasants. The existence of a one party system is a result of political evolution, not artificially put up or achieved by administrative decrees. In the Soviet Union, the interests of the workers and peasants are not contradictory to each other, and therefore there is no need for more than one party. At present the existence of one political party is possible only in the Soviet Union.

In Germany and in Italy respectively, one party controls all political power, but this does not mean that only one party exists. Both in Germany and in Italy there are Communists, Social Democrats, and Bourgeois Democrats still actively engaged in underground illegal work. Both in the Second International and in the Third International there are party delegations from Germany and Italy. It is true that there is only one legal party in Germany or in Italy, but it is not true that there is no Italian party other than the Fascist, or no German party other than the Nazi.

Some few people think that the Kuomintang should be the only legal party in China. They insist that all other Chinese parties such as the Communists, the National Youth, and the National Socialists, must be denied their legal recognition, and even wiped out of existence by armed forces. This, however, is no new idea but rather an old fact of the past ten years. When the Kuomintang tried to carry out the policy of exterminating other parties, not only did it fail in its endeavour but the situation even invited foreign invasion. When the Communists tried to lead China by one party of their

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own, they did not succeed as they had originally expected to do. Actual experiences have taught both parties and the Chinese people as a whole that the only effective way to achieve a united and independent China is not by way of party conflicts but by means of a national united front.

The Japanese fascists and militarists, apart from their military invasion, are constantly trying out their policy of using the Chinese against the Chinese. Their aim is to break the Chinese national united front, in order to carry out their aggressive program in China. It is clear, therefore, that those who want the Kuomintang to be the only legal party in China are actually destroying Chinese unity and assisting the Japanese invader. In spite of their empty slogans such as "national unity" and "resisting Japan," their erroneous, even vicious, ideas regarding party dictatorship in China will be bitterly opposed by all patriotic Chinese. In England, the United States, France, Belgium, Czechoslovakia, and Switzerland, respectively, there are several legal parties, but there is no doubt of national unity.

There are still some people who think that since the Chinese Communists have pledged themselves to bring about the realization of Sun Yat-sen's three principles of nationalism, democracy and people's livelihood, they should automatically abandon their own faith in communism. This is unfounded and incorrect. While the Communists want to cooperate with the Kuomintang to carry out and complete the revolutionary mission of Dr. Sun for the realization of China's international, political and economic equality, they will not and need not abandon their faith in communism, for which they have already sacrificed much for many years.

The Chinese Communists want to see an independent China, free from imperialistic oppression; a nation enjoying democracy and freedom, free from traditional semi-feudalistic oppression; and a reorganized economic system in which the living status of the Chinese people is raised. All these go together with the content of Sun Yat-sen's three principles. Dr. Sun himself has said definitely that his principle of the people's livelihood not only does not conflict with communism but should be regarded as its good friend.

From the founding of the Chinese Communist Party in 1921, Dr. Sun was in close contact with it; and when he reorganised the Kuomintang in 1924, he openly cooperated with the Communists, who were permitted to enter into the Kuomintang as individuals.

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Did Dr. Sun ever suggest that communism and his principles could not co-exist? No, never. Did he ever suggest that the Kuomintang should be the only party or the only legal party in China, or that it should pursue a policy of party dictatorship? No, never. The co-existence of, and the cooperation between, the Kuomintang and the Chinese Communist Party is not only supported by the patriotic Kuomintang members and other patriotic Chinese, but is demanded also by the real national and international situation.

THE DECLARATION OF NATIONAL CONGRESS OF KUOMINTANG DELEGATES, as published in the *Shun Pao*, Hong Hong Edition, April 3, 4 and 5, 1938.

The latest National Congress of Kuomintang delegates elected Chiang Kai-shek to be "Tsungtsai" or Director-General of the Kuomintang. On its closing day, April 2nd, a long declaration was issued regarding the party's policy both external and internal, of which the following is a brief summary.

It would be a mistake to compare the present Japanese invasion with previous foreign invasions with dynastic ambitions behind them. The aggression of Japanese imperialism aims at nothing short of reducing China to a colony. If it is not checked and stopped, China will lose its political independence and freedom and will become economically an appendage of Japanese industry and trade.

All the northern provinces in China are vital to the nation as a whole. It is not only that the origin of Chinese civilisation is in the north and that the Chinese people must fight to preserve it, but these provinces are the corner stone of China's future industrial development. Without them China can never economically and politically become a modern nation. Without them it is almost impossible for China to become independent and we must fight for our territorial and administrative integrity.

Since the beginning of the war last July, Chinese army casualties have reached over half a million and casualties among civilians have been very numerous. All this is due to our determination to fight in order to obtain peace, which is our ultimate aim. True and permanent peace depends upon justice and equality, without which peace can only mean submission. Submission can only invite further aggression. If we were to be satisfied with a temporary and fleeting peace, our nation would lose its independence and would

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become a Japanese colony. If we should lose our national independence, where is the hope for national freedom and equality?

Japan's insatiable lust for conquest, furthermore, can only bring harm to her own people and also to the world in general. Inasmuch as we are fighting against this militarism we are doing our part to check it; and we are sure that the intelligent people in Japan are also becoming reflective towards the war itself and also sympathetic towards our struggle for peace and freedom. Indeed all peace loving nations, from government to people, are morally supporting the Chinese cause.

China's external policy will be to continue the observance of all the international peace treaties into which she has entered in the past, and she will continue to cultivate the friendship of those nations which treat her on the basis of justice and equality. In our national crisis we rely on our own strength for national salvation, we certainly will not entertain the false idea of relying too much on outside assistance, though this might appear the easiest policy. It is our hope, however, that all advanced nations of the world will realise that peace is indivisible and that what concerns one nation also concerns the family of nations.

Regarding our internal policy we emphatically declare that this war of resistance of the aggressor must go hand in hand with the reconstruction of our nation. Both must be carried out at the same time, because military, political, and economic reconstruction are necessary to strengthen a war of self-defense; and while reconstruction is our ultimate aim, it cannot be realised without first maintaining our national independence.

We are the followers of Sun Yat-sen's three principles of nationalism, democracy and the people's livelihood. Based upon the principle of nationality, we are fighting for our national liberation, and all the nationalities in China should be treated on the basis of equality and mutual respect.

Based upon the principle of democracy, the people must be organised both for self-defense and for self-government. The former falls within the realm of military affairs while the latter within that of political training, but both are of equal importance. In time of national crisis such as we are undergoing today, political unity and centralization of administration are matters of the utmost necessity, but there should also be sufficient freedom allowed to express

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opinions and to advance ideas for the sake of national salvation. Unity and freedom may appear contradictory, but in reality they are complementary to each other. The government should consolidate, simplify, and strengthen its administrative affairs, and furthermore the People's Political Council should be established so as to give the people, as a whole, an opportunity of voicing themselves in the government.

As regards the people's livelihood, we first emphasize the improvement of our agrarian economy and the increase of agricultural production, and next to that our industrial restoration within the shortest space of time. Certain enterprises should be given to government management and certain others should be left to private individuals, as may always be decided according to reason and circumstance. The chief aim remains constant, being the improvement of people's welfare and the increase of their living standard. During a time of war, however, national interest comes before everything else. Class struggle must be subordinated to it. Indeed, because of this supreme national interest, even those who hold political views different to us in ordinary times have now come to a common cooperation. The situation demands our highest expression of loyalty to true nationalism.

NATIONAL SALVATION MOVEMENT AMONG THE PEOPLE FROM CHINA'S NORTHEAST, by Lan Po, *Counter Offensive,* Vol. 1, No. 4, March 16, 1938, Wuchang.

Since the puppet state of Manchukuo was established, hundreds of thousands of soldiers and civilians from China's Northeast have moved to North China and to the Yangtse Valley. Many of them have become very active in the Chinese national liberation movement, while their relatives, friends and village neighbours still remaining in the Northeast participate in the Volunteer Movement there. When the Japanese first invaded Suiyuan Province in the winter of 1936, the northeastern Chinese in Peiping, Tientsin, Kweisui, Taiyuan, Shihchiachuang, Wuchang, Hankow, Sian and Shanghai organised themselves to demand the cessation of civil war and national unity against the foreign invader.

They rejoiced over the peaceful settlement of the Sian Affair towards the end of 1936; and in June 1937 the Federation of Northeastern Chinese for National Salvation was founded in Peiping. At

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the opening meeting of this Federation more than seventy delegates from all parts of China were present, including representatives from the Manchurian Volunteers.

The Marco Polo Bridge Incident in July, 1937, was regarded as a second Mukden Incident, and the Federation of Northeastern Chinese immediately sent nearly one hundred fighters to the borders of Chahar and Jehol and to the Paoting and Shihchiachuang areas to organize the partisan movement. Among those sent was Chao Tung who had previously played deadly hide-and-seek with the Japanese patrols in northern Kirin, his birth place. He now has an army of 20,000, the main body of which is moving along the Peiping-Suiyuan railway. During the last autumn the office of the Federation in Tsinan alone put almost one thousand Northeastern youth to work among the different patriotic organisations throughout North China. Today these people can be found scattered among the partisan forces of Shansi, Shantung, Honan, Hopei, Chahar and Suiyuan.

Obviously, as evidenced by recent events, the people from China's Northeast are doing their best to strengthen the national liberation movement. Their organisations are no longer for mere publicity but for actual action, and their sphere of action is no longer behind the fighting line but rather in the midst of the territory now occupied by the invader.

CHINESE-MOHAMMEDAN RELATIONSHIP AND THE WAR, by Hsu Tie-sin, *The Masses*, Vol. 1, No. 13, March 12, 1938, Hankow.

Following the establishment of Manchukuo in 1932 and that of the Federated Autonomous Mongolian Government in Suiyuan under Prince Teh last October, the Japanese have proceeded with further plans aimed at the establishment of a puppet Mohammedan state in China's northwest. The Black Dragon Society in Japan has been sending its agents to work among the Chinese Mohammedans almost continuously during the past two decades, and such work has been greatly accelerated since the Mukden Incident, as evidenced by the Islam Society both in Manchuria and in the Peiping-Tientsin area.

The majority of the fifty million Mohammedans in China know very well that such slogans as autonomy and independence under Japanese control are mere tactics to reduce them to the same colonial status as that of the Formosans and the Koreans. Since last July

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many Mohammedan organisations have sprung up in the Northwest exclusively for activities against Japanese aggression. Recently, the Federation of Mohammedans in China for National Salvation has been established, and when their traitor Ma Liang was used by the Japanese as the head of a puppet government in Shantung, a mass protest meeting was held in Sian by the Mohammedans.

This Mohammedan Federation should express more and more actively as time goes on, the spirit and strength of the Mohammedan solidarity against Japanese invasion. To make this possible some important problems still need to be solved. The governmental policy of excessive taxation, of unnecessary requisition, and of neglecting the people's livelihood in general, must be corrected, and this is especially true in the case of the Ningsia Provincial Government. Then the religious conflict among the old sect, the new sect and the newer sect, must be reduced to the minimum, and all problems must be made entirely subordinate to the critical issue of national salvation in the face of Japanese invasion. With these problems on the way to solution, a better basis than ever before will be laid for really close cooperation between the Chinese and the Mohammedans in their united and joint effort to drive out the aggressor.

CONCERNING THE PROBLEM OF ARMING THE PEASANTS, by Hsu De-li, *The Chinese Village, War Time Special Series,* No. 10, March 1, 1938, Changsha.

The war has been going on for more than half a year and yet the vast masses of peasants have not been organised and armed as a self-governing and self-defending partisan force which is not detached from economic production. On the contrary, the unregulated and often unjust requisitions, the corruption and squeeze of the greedy officials and rotten gentry, and the disturbances by retreating soldiers and the looting by large bands of bandits still prevent the peasants from realising that they are full-fledged citizens of the nation. A long protracted war of resistance can not be successfully carried out unless an end is put to the wholesale peasant flight, unless banditry is curbed and unless the army supply is replenished.

Speaking from the positive side, one can easily see how important the partisan force is in fighting and winning the war. To begin with, the spirit of China is bound to differ from that of Japan in this present war. Japanese aggression is against the real interest of the

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Japanese people, and if there were any gain at all it would only be for a small minority of capitalists and militarists. The present invaders therefore can rely on their superior equipment and munitions, but not on solidarity of spirit. China, on the other hand, is fighting to defend the common interest of the entire nation and the cause of world peace, thus not only being capable of mass mobilization but also being capable of attracting the internationalists to participate in the fighting. There is every reason why China should organise and arm the vast peasant population in order to conquer the Japanese material superiority by an unbent and solid morale.

When the peasants are armed, they can always attack on the flank and in the rear, harassing and exhausting their enemy. While the enemy has difficulty in penetrating the interior, where communications are still poor, he will have to meet our mobile and flying columns with our partisan force constantly around him. The partisans are thoroughly familiar with the local topography which may often be utilised to avoid the onslaught of modern tanks and bombers; they are mutually acquainted and therefore can easily scatter themselves to conduct individual warfare.

The partisan movement is especially suitable to a peasant country such as China where the small producers have no organisation themselves and do not want to leave their families. The armed peasants make excellent militia as well as a very effective auxiliary force to the regular army. Once they understand that to defend the home village it is necessary to defend also the neighboring villages, the more advanced elements certainly will join in guerrilla fighting in the nearby districts. Guerrilla troops and militia can be quickly absorbed by the regular army if and when necessary. Indeed an army evolved from the partisan force can maintain a democratic system, its officers and privates being imbued with a fraternal and patriotic spirit.

We should never lose sight of the fact that we are going to have to fight a long protracted war. It is therefore all the more necessary to economise on labor and on money. The partisan movement is admirably suited for this purpose, because here military defense and economic production go hand in hand, the peasants are fighters and the fighters peasants. The armed peasants can always turn to field work whenever they are not engaged in battles, thus no time or energy need be lost.

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The partisan movement must be organised from among the peasants; it is a voluntary, creative and positive affair and must not be a mere matter of government decrees and paper regulations. Only when the masses are really organised can the task of military transportation, of caring for the wounded and the war refugees, of burying the dead and of getting rid of the traitors, and of sentinel duty and military intelligence work, be easily and efficiently executed. We should fix our attention on partisan organisation for this will be the chief factor in the guaranteeing of our final victory.

CHINESE PRINTERS AND THE WAR, by Sin Yuan, *Solidarity*, Vol. 1, No. 12, Feb. 25, 1938, Shanghai.

China's largest modern printing plants up to the time of the war were located in the eastern and northern sections of Shanghai. The present war may be said to have started in these sections, hence a large number of Chinese printers have long been war refugees. These refugees differed, however, from ordinary refugees in the war area. Being perhaps the most advanced among the Chinese workers, they have done their best to help national resistance.

To begin with, they reorganized their Mutual Aid Society for the Unemployed into the Printers' War Aid Corps. This Corps has conducted many training classes for political understanding, for Red Cross work, for technical knowledge in military affairs, and for general organisational work. Graduated from these classes the printers have cooperated with the Red Cross in first aid work, with the various charity societies in burying dead soldiers and civilians, with the municipal government in assisting the war refugees, and with the regular Chinese army in forming special flying squads on the battle field. They have also founded and maintained a special school for the children of war refugees. In the midst of such war aid activities the printers have come to realise their duty, their potentiality and their own education and development.

Since the loss of Shanghai the Chinese printers have engaged in a series of struggles for the maintenance of their livelihood. The printers of the Chung Hua Book Company had a sit-down strike of two months, because the Company suddenly stopped business in spite of a net profit of half a million Chinese dollars during last year. Those who used to work in the printing establishment of the Commercial Press have received a certain portion of their stipend

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after the discontinuation of work and they are still receiving it. All those who used to work in the World Book Company have lost their jobs, because the Japanese took away all the machinery; but as a result of negotiations with the Company, the printers obtained some compensation in cash.

The printers in Shanghai have recently consolidated their organisation, with each plant as a unit for activities. Besides pursuing an educational program both for themselves and for the public, they are conducting a close fight against the traitors and the spies, and are doing whatever is possible to bolster up the strength of national resistance.

GERMANY AND THE SINO-JAPANESE WAR, by Di Dai-tze, *Current Events*, Vol. 18, No. 4, Feb. 25, 1938, Hankow.

From the Reuter reports from Berlin it is clear that before the declaration of the Japanese Government on January 16, 1938, that it was going to discontinue its diplomatic relations with the Chinese government, it was Japan who had suggested German mediation such as was attempted in Nanking and Hankow by Dr. Trautmann, the German Ambassador. It is also clear that in spite of its alliance with Japan, Germany is still friendly with China.

The fundamental reason for this situation is to be found in the question of markets. One of the factors causing the Japanese invasion is the attempt to monopolize the market in China, and it therefore indirectly affects German interests. The Mukden Incident already spoiled the Sino-German joint scheme of railway building in China's northeast. The present Japanese campaign is threatening the German railway investment in southwestern China amounting to 86,000,000 marks within the past three years, as well as the German financed electric power plant in Canton, the German conservancy machinery in Shanghai, and the German supervised arsenal in Nanking.

South America, Japan and China are the three major markets for Germany. The first is under constant pressure from the U.S.A., the second is not very promising because Japan already owes Germany 100,000,000 yen, but the Chinese market is most prosperous being partly based upon the exchange of Chinese vegetable oil and tungsten ore for Germany machinery and machine tools.

The political alliance between Germany and Japan is favored only

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by a group of extremists in the Nazi party, and its original purpose was to check the Soviet Union. One of the ideas behind the atempted German mediation was to turn the armed forces of both Japan and China against the socialistic democratic Republics. The failure of this attempted mediation has produced a new situation, i.e. Nazi Germany is re-evaluating its "anti-communist" ally and Japan is feeling increasingly uneasy over German "neutrality."

The speech made by Hitler on January 20th in which he supported Japanese aggression and recognized the existence of the puppet Manchukuo, however, once more fixed the Nazi policy in the Far East. The Chinese people will not forget that Hitler is after all a friend of the aggressor, an enemy of the invaded nation, and that though a German leader he does not represent the real interests of his country.

JAPANESE PERIODICALS

THE RESHAPING OF JAPAN'S INDUSTRIES. *Economist.* March 1, 1938, pp. 10-19. Tokyo.

This comprehensive survey of the process, now in full swing, of reshaping the industries of Japan, shows the rapid shift from light to heavy industry. The subject is treated in terms of (1) movement of capital funds, (2) changes in the composition of industrial production, (3) distribution of labor, and (4) the changing character of foreign trade. This shift had originally been advocated as a means of redirecting Japan's export trade, which has been overwhelmingly dependent on light industry, in order to avert its anticipated stalemate as the result of the industrial development of those countries which are now the chief customers for Japanese manufactured goods. The present trend, however, is being determined by the needs of national defense and has naturally begun to affect Japan's foreign trade adversely. The writer believes it possible for Japan to develop markets abroad for the products of her heavy industry, though in a manner quite different from that pursued in effecting her trade expansion in the past. An evidence of the rapid growth of heavy industries may be found in the number of workers recently absorbed into various branches of wartime industry, it being estimated that some 310,000 workers have been newly employed in these industries during 1937.

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The decline of light industry has been especially noticeable since the enforcement of the Capital Funds Adjustment Act, controlling new investment, and of the wartime foreign trade control measures. The restrictions imposed on imports of materials needed by the light industries has resulted in a marked decline in production in the export trade industries, such as textiles, woolen fabrics, etc. This cannot fail to act as a hindrance in the carrying out of the program for national defense. The only solution appears to be redoubled efforts to find new markets for Japanese products, including those of the newly developed heavy industry, as well as the expansion of existing markets. With regard to the future of heavy industry in Japan, the writer predicts that the eventual demobilization of its productive power, especially after "saturating" the Manchurian and North China markets, will constitute one of the most serious problems for the industrial Japan of the future.

THE TEXTILE INDUSTRY IN JEOPARDY. *Economist.* March 11, 1938. pp. 12-19.

Japan's textile industry, hitherto the backbone of her trade expansion abroad, is now standing at the most critical cross-road in its history. A new upsurge had been promised for the industry as a result of Japan's Continental policy, but the immediate effects of the present wartime economy resulting from that policy seem to be dooming it to a "retreat." This article is mainly devoted to an examination of how long the industry will be able to withstand the growing pressure of the wartime economy. Obstacles to the further expansion of the textile industry have been increasing. Externally, these include the spread of restrictive measures against Japanese textiles in foreign countries, the growth of the textile industry in India and other countries which have hitherto been industrially backward, the rally of the British textile trade in foreign markets, and, internally, the rising cost of materials and increasing wages. The future of the industry was none too bright even before the outbreak of the Sino-Japanese hostilities. The present wartime economy, with its control measures, has greatly increased the difficulties of the industry. After a detailed review of the control measures affecting the industry, the article concludes that the unsatisfactory results thus far obtained by the cotton industry control are due to the fact that the control has been exercised upon prices of products and nothing

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has been done in the more fundamental lines of production and distribution. Intensified government control, instead of the "autonomous" control now exercised by the manufacturers, is predicted to be the only way left open to the industry in the future.

EFFECTS OF THE HUGE WARTIME BUDGET ON FINANCIAL INTERESTS. *Toyo Keizai Shimpo* (*Oriental Economist*). March 26, 1938. pp. 31-70. Tokyo.

This article provides a detailed review of financial conditions during 1937, with special emphasis on the effects thus far of the Sino-Japanese hostilities on Japanese finance. At the outset it is assumed that, even if major military operations are soon brought to a close and there is no immediate danger of any serious crisis in Japan's international relations, her national economy will be confronted with the gigantic task of meeting unabated military expenditures for years to come, and of meeting increased demands for capital investment both at home and in the Japanese occupied areas of China. Japan's financial future, together with measures to solve anticipated difficulties, are examined at length. A tone of warning as to the future is discernable throughout the article in taking up the question of the absorption of bonds, monetary policy vis-a-vis the upward trend of commodity prices, expansion of productive capacity in relation to the control of capital funds, and the balance of international payments. The tendency toward Government control will be accelerated owing to the necessity of increasing the currency supply to maintain the market value of Government bonds; adopting effective measures to stabilize the foreign exchange rate, and preventing a sharp rise in commodity prices and the unit prices of imported goods. These control measures, however, are merely a temporary cure and not a final settlement. Under the circumstances, a drastic increase in taxation seems to provide the sole solution for meeting the huge military expenditures.

Attention is called to the markedly improved position of the Industrial Bank owing to increased demands for capital funds from the munitions industries, and also to that of the Bank of Chosen as a result of its increased money lending activities both on the peninsula and on the Asiatic mainland. The continued rush for enlargement of productive facilities on the part of the heavy industries is reflected in the operations of the six leading banks, Mitsui, Mitsubishi,

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Yasuda, Sumitomo, Sanwa and Daiichi. The Deposit Department of the Finance Ministry is also active, being credited with the absorption of ¥500 million of Government bonds during 1937. The article concludes with a brief review of the expanded sphere of influence of the yen on the mainland as a result of the establishment of new regimes and their "central" banks in North China and Inner Mongolia.

CONTROL OF THE COTTON INDUSTRY AND ITS PROSPECT. By Toichi Nawa. *Economist.* March 11, 1938. pp. 20-22. Tokyo.

The control of Japan's cotton textile industry is extremely difficult because of its international character, i.e. the necessity of importing raw cotton and the dependence on foreign markets. Warning against the serious consequences of losing foreign markets, the writer urges that everything should be sacrificed to maintain present markets abroad and suggest that reduction of the cost of production is absolutely necessary for this purpose. To overcome the contradictions in the present policy which aims, on the one hand, to reduce imports of raw materials and, on the other, to encourage exports, the question of intensified labor and the depressed state of the middle and small industrialists at home must be set aside for the time being. In conclusion, the writer pictures the encouragement of textile exports at any cost, and the securing of raw cotton supplies from North China, as of paramount importance for the Japanese textile industry in the immediate future.

INTENSIFICATION OF THE WARTIME ECONOMIC STRUCTURE. *Economist.* February 1, 1938. pp. 9-10.

Japan has thus far been able to finance the fighting in China without securing foreign loans, or putting extreme pressure upon the national economic life. This has been made possible by the consumption of her past accumulation of capital and materials, and by putting idle productive capacity into operation. Japan now faces the necessity of financing any further fighting solely with her "on-hand" materials. This means that Japan's national economy has now entered upon a period of long-term wartime economy. In this period, the most imperative problem is that of effecting drastic economies in consumption for non-military purposes in order to

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make as much material as possible available for carrying on military operations. The nation's full cooperation with the Government in such efforts will be absolutely necessary and such "cooperation" will, in this period, necessarily be of a more or less compulsory nature, rather than purely voluntary.

A PROTRACTED WAR AND THE TENACITY OF JAPANESE ECONOMY. By Kamekichi Takahashi. *Chuo Koron* (*Central Review*). March, 1938. pp. 51-65. Tokyo.

Japan's economic structure has not yet undergone any fundamental change, but has largely maintained its functions on a peacetime basis, though some wartime control measures have been enforced in certain sections of the national economy. These control measures, in the writer's opinion, are merely makeshifts, imperfect and temporary, and have naturally revealed many defects and inconsistencies which are apt to be taken by foreign observers as indicative of the vulnerability of Japan's economic structure itself in time of war. It is a fallacy to measure Japan's economic capability on a wartime basis with the yardstick of peacetime economy. For example, the generally admitted limit of Japan's peacetime economy to absorb Government bonds is some ¥1,500 million annually. But, according to the writer's analysis of Japan's wartime economic capability, bonds amounting to ¥6,000 - ¥7,000 million can be absorbed without causing a breakdown in the national economy. This is mainly due to the fact that expenditure for immediate consumption accounts for a comparatively large proportion (58.2% in 1936) of Japan's total national expenditure in peacetime. Considerable economy in this phase of expenditure may be effected in order to permit of increased investment in government bonds in time of war. Furthermore, the greater part of Japan's imports are goods such as raw cotton, wool pulp, wool, etc., in which drastic economy is possible during an emergency, as compared with such essentials as foods stuffs in which Japan enjoys 100% self-sufficiency. The writer argues, therefore, that a marked characteristic of Japanese national economy is the ease with which peacetime consumption can be altered to meet wartime necessities.

The present strain on Japan's international trade balance is due more to the large-scale program for expanding heavy industry, launched before the outbreak of hostilities, than to the war itself.

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Japan's trade was expected to suffer most heavily in 1937 and 1938 because of huge imports of machinery and plant equipment needed to carry out the national defense as well as the heavy industry expansion programs. The strain will, in the writer's opinion, reach its height during the first half of 1938. Japan's difficulty in international payments is much exaggerated abroad due to the Government's failure to exercise effective and consistent control over foreign trade. Such control should be based on elaborate estimates of imports and exports throughout a fiscal year. The apparent crisis in Japan's foreign trade is of a temporary nature resulting from the industrial expansion program and can be tided over by curtailment of non-essential imports for a year or more. What is most urgently needed is a policy for the rationalization of consumption which is not only necessary in time of war but, once effected, will contribute greatly to the development of the national economy after the war. Though the rapid development of heavy industry has been brought about by the pressure of the defense program, it represents an advance in Japan's national economy and not a non-productive military outlay. This is true because Japanese heavy industry was in its infancy. It differs completely from the case of certain western Powers whose heavy industries are already fully developed and where any further expansion for rearmament purposes will mean so much surplus productivity when the armament race ceases.

THE NATIONAL MOBILIZATION BILL.

(In view of the all-important character of the National Mobilization Bill, a number of articles on the measure appeared in the February and March issues of Japanese periodicals. Being written before the passage of the Bill by the Diet, or even before its discussion of the measure, they are mainly concerned with an examination of the possibility of its being passed by the Diet, rather than with direct criticism of the measure.)

By Mitsu Kono. *Kaizo* (*Reconstruction*). March, 1938. pp. 84-89.

The writer, a Diet member of the Social Mass Party, admits the urgent necessity of such legislation in view of the gravity of the present situation, but warns against the danger of its being made a matter of political or ideological controversy, or being used to force any drastic reorganization of the existing political structure. The only question which he raises is the advisability of making a law,

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which by its nature is to be applied only temporarily in time of emergency, a permanent one by means of a blanket authorization. He stresses that full reflection of the popular will must by guaranteed in the practical application of the law.

By Kiyoshi Teraike. *Kaizo* (*Reconstruction*). March, 1938. pp. 90-95.

The measure should be considered in a broader and more fundamental sense—from the viewpoint of international as well as internal politics, and also of national policy and political machinery as a whole. The writer questions whether the law alone is sufficient to meet the present and future wartime requirements—whether there is not a more fundamental need for examining the basic principle according to which the future of Japan will be directed, and the system necessary to carry out such a development. In this connection he examines the *raison d'etre* of the Konoye Cabinet, recalling that the nation had expected it to play the role of a bulwark against the spread of fascist tendencies in Japanese politics, and also to inaugurate a new political order fit for the coming age. The Konoye Cabinet, in his opinion, appears to have failed in both these roles.

LABOR DISPUTES IN 1937. By Ryuji Sakai. *Shakai Seisaku Jiho* (*Journal of Social Policy*). March, 1938. pp. 97-117. Tokyo.

The first half of 1937 witnessed a sharp increase in the number of labor disputes, but in the latter half this tendency was completely reversed. Pointing out that the disputes in the first half year were due largely to social and economic reasons, the writer attributes the decline in the latter part of the year, in the absence of any indication of improved living conditions for the working class, to the capitalists' and workers' self-restraint in view of the national emergency, coupled with the authorities positive attitude toward the prevention of labor disputes. Up to June, 1937 there were 1,455 labor disputes involving 181,531 workers, but in the succeeding six months there were only 459 disputes with 15,428 workers involved. The outbreak of hostilities not only reversed the quantity of labor disputes but also changed their character. In the first six months they were mainly due to the workers' "positive" demands — for increased wages, shorter hours, recognition of unions, etc.— and involved for the most part heavy industry plants working on a large scale. After July,

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disputes of this nature rapidly declined, and the disputes which occurred were generally limited to small-scale factories and peace-time industries, their causes being chiefly workers' passive demands — protests against wage reductions, non-payment of wages, dismissals, etc. This can also be taken as a reflection of the rapid growth of heavy industry as compared with light. With regard to labor unions, they have in general had a favorable effect on the labor situation in that more disputes broke out among unorganized than among union workers, and also that disputes involving union workers were settled more quickly and peacefully. The major labor unions, following the outbreak of hostilities, quickly announced themselves as favoring "peace on the labor front" as far as possible, and strove to prevent strikes. The unions with Rightist tendencies, upholding "Nipponism," which have been growing larger since the Manchurian incident of 1931, increased their activities and have succeeded in substantially expanding their organizations.

WARNING AGAINST INFLATION. By Tanzan Ishibashi. *Chuo Koron* (*Central Review*). March, 1938. pp. 42-50. Tokyo.

Reiterating his warning against the present financial policy, involving bond issues of more than ¥3,000 million, the writer stresses that the current expansion of State finances cannot be expected to have the same reflationary effects as were witnessed during the 1932-36 period of rapid expansion of State expenditures. There are as yet, however, no discernible indications of serious inflation as a result of the expansion of State finance. Commodity prices have risen but not to such an extent as to make the effects seriously felt in the nation's daily life.

This is partly because the expansion of State finances has not taken place too rapidly, less than half of the ¥3,400 million bonds having actually been issued up to January 1938, and partly because of the people's wartime psychology which keeps them from spending and makes them prefer to economize on the consumption of materials. In this connection, it is pointed out that the Capital Funds Adjustment Act has had, as yet, little to do with checking inflation.

With the sharp upward trend in commodity prices and the huge amount of bonds to be issued in the immediate future, the writer is by no means optimistic about the future of Japan's national economy, but believes that any disastrous inflation can be avoided

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by further tax increases – up to 25 per cent of the total national income – coupled with efforts to encourage the nation's direct subscription to Government bonds through issuing them in smaller denominations.

SOME FUNDAMENTAL PROBLEMS OF THE EAST ASIATIC ECONOMIC BLOC. *Economist.* February 11, 1938. pp. 11-19. Tokyo.

The article begins with a brief, historical review of the growth of capitalism in Japan in relation to the evolution of the basic lines of Japan's Continental policy. The world-wide intensification of economic nationalism has caused Japan's exports to decline from the high peak reached in 1935. This has redoubled the "life-line" importance of the Manchurian as well as the Chinese market for Japanese industry. Manchoukuo, with its 30,000,000 population, cannot be regarded as the sole market for Japan's manufactured goods, and the doors of foreign markets are increasingly closed to the products of Japan. There seems to be no other way for the Japanese national economy to escape from this impasse but to turn to China as a new market for Japanese goods. From the economic point of view, this has been one of the main causes of the present Sino-Japanese conflict.

The writer then gives a detailed analysis of Manchoukuo's potentialities as a member of the East Asiatic economic bloc – as a market for Japanese goods and for capital investment, as a source of raw materials, and as an outlet for Japan's surplus population. The problem of the development of North China is then examined in the same way. Here, the problem of obtaining capital funds for the development of the region is expected to prove the most serious. It is emphasized that Japan must be fully prepared to undergo a severe economic ordeal before North China's mineral and other resources have been fully developed.

THE FIRST YEAR'S RESULTS OF MANCHOUKUO'S FIVE-YEAR INDUSTRIAL DEVELOPMENT PLAN. *Economist.* March 1, 1938. pp. 29-30. Tokyo.

A general survey of the first year results of the five-year plan shows that the results were not up to the levels of production originally aimed at in the plan, except in the transportation industry and in a

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few branches of the mining and manufacturing industries. The unsatisfactory results are attributed to many deterrent factors, including the outbreak of the Sino-Japanese hostilities. Revisions are now to be effected in certain sections of the original plan. The production level for the wood pulp manufacturing industry is to be somewhat lowered, but in other sections, such as the gold mining industry, an upward revision has been found possible. The main activities during the first year were concentrated on the foundation work for those industries which are to be inaugurated or enlarged under the plan. That considerable progress has been made in this direction is evidenced by the new investment funds, totalling ¥460 million, which have been mobilized by the South Manchuria Railway Company and other "special" concerns for the execution of the plan. Outstanding among the many revisions to be made in the plan is the decision that it shall include the chemical industry. This is due to the growing necessity of directing the development of the industry on a coordinated basis similar to the heavy industries, and also to the rapid growth of the hydro-electric power industry in the country.

KOREA'S FIVE-YEAR PLAN FOR INCREASING GOLD PRODUCTION. PART I. By Misao Yamaoka. *Toyo (Oriental Review)*. March, 1938. pp. 123-131. Tokyo.

The plan is designed to bring the annual production of gold in Korea up to 75,000 kilograms, valued at ¥285 million, by 1942. This represents an upward revision of the original plan formulated by General Ugaki, formerly Governor-General of Korea, which aimed at an annual production amounting to ¥100 million by 1942. This revision has been decided upon because of the favorable progress of the Ugaki plan. Salient points in the new plan include an appropriation of ¥10,945,000 for the 1938-39 fiscal year for subsidies to mining companies; extension of loans totalling ¥190,000,000, and the establishment of plants for manufacturing mining machinery.

INDUSTRIALIZATION OF FORMOSA. By Tomosaburo Takagi. *Economist*. March 21, 1938. pp. 22-23. Tokyo.

This article is apparently aimed to throw cold water on the current fever for industrialization now sweeping Formosa. Pointing out that the Sino-Japanese conflict has changed the role to be played by

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Formosa as a unit in the Far Eastern economic bloc, the writer stresses that the production of rice and sugar, the two most important staple products of the island, should be maintained at least at the present level. As to possibilities for industrialization, the salt industry and the chemical industry with salt as its main material appear most suitable and hopeful for the island. There are, however, a number of difficulties, among which may be listed the comparatively high standard of wages, the smallness of the island market for manufactured goods, and the difficulties in obtaining necessary raw materials and adequate water power.

THE CHINA INCIDENT ENTERS UPON ITS SECOND STAGE. By Shigeharu Matsumoto. *Kaizo* (*Reconstruction*). February, 1938. pp. 50-61. Tokyo.

The second stage of the Sino-Japanese conflict, which has just begun, will, in the writer's opinion, be marked by greater emphasis upon political manoeuvers and rehabilitation efforts than upon military operations. After reviewing the factors underlying Chiang Kai-shek's policy of protracted resistance, his reportedly guarded attitude toward the Communists and vice versa, and various international complications involved in the present war, the writer declares that efforts should be launched without delay for the fruitful consummation of Japan's Continental policy, which he believes should be based on good government for the hitherto oppressed people, even if the pursuance of this policy means a lowering of the standard of living for the Japanese people at home.

UNION OF ORIENTAL POWERS. By Kojiro Sugimori. *To Tairiku* (*East Continent*). February, 1938. pp. 20-26. Tokyo.

Japan's growth as a modern nation is incompatible with the existing domination of the Orient by Occidental Powers, who have carried out their imperialistic aggression in the East for the past century. The status quo in the Orient can no longer be tolerated by Japan and she is thus driven toward the eventual establishment of a political as well as an economic bloc composed of the Asiatic nations — a union of hitherto oppressed Oriental peoples. This development is in line with the main trend in international politics, namely the re-division of the world into larger spheres of influence — blocs of nations closely connected with each other politically and

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economically, such as the British Commonwealth, the United States and other American countries, Italy in the Mediterranean, and Germany in Eastern and Central Europe.

THE FUNDAMENTAL PROBLEM OF CONTINENTAL DEVELOPMENT. By Suehiro Ogami. *Kaizo* (*Reconstruction*). March, 1938. pp. 2-15, Tokyo.

Thorough-going social reform among the farming community of North China is the fundamental problem for Japan in carrying out her Continental policy. Such reorganization should precede all other plans, including the much desired industrial development of North China's rich natural resources. For the moment, Manchuria instead of North China should be the main field for industrial development on any large scale. From the viewpoint of economic history, North China is in the stage of primitive capitalism somewhat "deformed" due to China's "semi-colonial" character. The writer makes a comprehensive analysis of the strata of North China's social structure, which comprise the bourgeoisie, the "deformed" landed class, the workers, the overwhelmingly large community of poverty stricken peasants and the intelligentsia. In conclusion he advocates a two-point program. On the passive side, the prevention of any immediate collapse of the landed and bourgeois classes which are at present the mainstay of the existing social order; and on the positive side, a progressive program for enhancing the welfare of the farming population. In connection with the latter aspect, any direct or drastic change in the economic structure of the community should be avoided as far as possible. For the moment, efforts should be concentrated on phases of immediate necessity, such as rationalisation of the farmers' organizations and technical aid for the improvement of the means of production.

(It may be noted that Japanese periodicals are now placing greater stress on the agricultural aspects of the North China question, rather than on the industrial side which had earlier received the most attention. This article reflects this tendency, but it appears to be unique in its treatment of the problem.)

AGRICULTURAL POLICY TOWARD THE ASIATIC MAINLAND. By Shoji Toura. *Kaizo* (*Reconstruction*). March, 1938. pp. 16-23. Tokyo.

In contrast to the views of Mr. Ogami, this writer urges that full consideration be paid to the farming community in Japan proper when formulating an agricultural policy toward the Continent. In

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view of the bitter experiences of Japanese agricultural administration in Korea and Formosa, which has often proved distressing to Japanese farmers at home, great care must be taken to avoid any further friction between the farmers on the Continent and in Japan proper, and to avoid creating any further difficulties for the latter. The new agricultural programs on the Continent should be devised so as to contribute to the improvement of farming conditions in Japan and to fit in with Japan's program for economic expansion. After attention has been paid to these points, consideration may be given to the enhancement of the welfare of the agricultural population on the Continent.

OUTLINES OF JAPAN'S ECONOMIC POLICY TOWARD CHINA. By Masutaro Kimura. *Toyo* (*Oriental Review*). March 1938. pp. 9-16. Tokyo.

The rehabilitation of China's rural community is the most important problem to be solved if China is to be brought into an economic bloc with Japan and Manchoukuo. Any hasty attempt to industrialise China regardless of the existing economic conditions would be as injurious to her as any attempt to check a natural growth of industry in the country. Initial efforts for economic cooperation among China, Japan and Manchoukuo should therefore be directed toward the conclusion of a customs union on a reciprocal basis. Hardly less important are the questions of the adjustment of the currency system, and of the control of enterprises for the economic development of the Continent. With regard to the former, the writer is opposed to any hasty attempt to link Chinese currency with the yen before the Chinese financial authorities are in possession of adequate reserves. Government control of the development of economic resources in China is essential to avoid friction with existing industrial interests in Japan and Manchoukuo. He warns, however, against too rigid control which might cause a flight of capital from China.

THE CHINA QUESTION: KEY TO THE SOLUTION OF THE NAVAL DEADLOCK. By Hachiro Arita. *Kokusai Chishiki Oyobi Kyoron* (*International Understanding & Review*). March, 1938. pp. 1-9. Tokyo.

The adamant refusal on the part of Great Britain and the United

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States to grant Japan parity in naval ratios seems to the writer, formerly Foreign Minister, to be deeply rooted in their desire to preserve the principle of the Open Door and equal opportunity in relation to China. There can be no final solution of this naval deadlock unless these Western Powers come to have a realistic understanding of Japan's position in Eastern Asia. The principle of the Open Door held good in the days of world-wide free trade, but not at the present time when even the British Empire and the United States have resorted to the weapons of economic nationalism. This has naturally driven the other smaller Powers with fewer resources to struggle desperately for their economic self-defense by the formation of economic blocs among themselves. There is little possibility of an early reversal of this world-wide trend. The Anglo-American idea of applying economic sanctions against a certain nation is merely a means of wielding their enormous economic power and forcing their arbitrary will on that nation through economic pressure. The "have-not" nations have therefore no alternative but to strive for economic autarchy and economic blocs among themselves as a protection against outside pressure. In the case of Japan, lacking material resources and markets within her own boundaries, the only way out is to seek an economic advance in China, a country of geographical propinquity and of rich, undeveloped natural resources which Japan so badly needs. As long as the British Empire and the United States stick to their policies of economic nationalism, it seems to the writer that it is almost the duty of British and American statesmen who believe in world peace to withdraw from China in favor of Japan. Japan does not want to monopolize China. What she wants is a modification of the Anglo-American rigid adherence to the principle of the Open Door and a more realistic adjustment of the principle itself. The British and American nations and statesmen are urged to give political consideration to the whole situation, realizing that it constitutes one of the fundamental causes of the deadlocked naval issue.

JAPAN'S CHINA PROGRAM. By Tadao Matsumoto. *Bungei Shunju* (*Literary Journal*). March, 1938. pp. 58-67. Tokyo.

The writer, who is Parliamentary Undersecretary for Foreign Affairs, stresses that, while the Japanese Government should be fully prepared to extend every assistance to the new regimes in China,

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due attention should be paid to the Chinese people's racial characteristic of preferring a let-alone policy rather than too rigid and thorough-going government. Japan is not aiming at exclusive, monopolistic exploitation of China's resources. All she wishes is to safeguard her economic activities from undue injury as a result of a policy discriminatingly hostile to Japan, and to enjoy an equal standing with other foreign powers. With regard to the cultural aspect of Japan's China program, a complete liquidation of anti-Japanese education in Chinese schools must come first, coupled with the encouragement of the study of the Japanese language in China and the Chinese language in Japan. Great importance is attached to rehabilitation enterprises, particularly river conservancy and medical aid to the Chinese inhabitants. Furthermore, the present military operations must be supplemented with effective economic and financial measures, including monetary control in the areas now under Japanese occupation, with a view to bringing about an early collapse of the Chiang Kai-shek regime.

BRITAIN'S "QUARANTINE" POLICY AGAINST JAPAN. By Kokasu Tamura. *Gaiko Jiho* (*Diplomatic Review*). March 15, 1938. pp. 79-88. Tokyo.

Britain's present foreign policy is aimed at a complete isolation of Japan in the Far East. After succeeding in winning both France and the Soviet Union over to her anti-Japanese position, Britain is now intent upon diplomatic manoeuvers to obtain the cooperation of the United States and also to estrange Germany and Italy from Japan. Considering the possible effects of Prime Minister Chamberlain's redirected "realistic" foreign policy, the writer does not share the optimistic view that it will turn out favorably for Japan, but stresses that current British policy is mainly designed to readjust London's relations with Rome and Berlin and thereby to nullify the anti-Communist tie among Italy, Germany and Japan. With regard to the attitude of the United States, there appears to be little doubt but that America will follow a policy of "proceeding in parallel" with Britain, as has been so persistently advocated by the New York Times.

AMERICA'S ARMS EXPANSION FEVER. By Ujiro Oyama. *Gaiko Jiho* (*Diplomatic Review*). March 1, 1938. pp. 67-80. Tokyo.

The writer sees no justification for America's arms expansion pro-

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gram, in view of the supremacy she has already acquired in armaments and also in view of her unrivalled national security, geographical and otherwise, against outside attacks. Criticizing the underlying motives of the United States' rearmament policy, the writer strongly objects to President Roosevelt's "dogmatic" assertion that democracy alone is the guarantee of world peace. He is especially concerned with the careless, provocative utterances against Japan by the advocates of American arms expansion in an attempt to justify their cause, and fears that such remarks will only injure the friendly relations between the two countries.

HOW FAR IS BRITISH AND SOVIET AID TO CHINA POSSIBLE? By Masuo Ureshino. *Chuo Kuron* (*Central Review*). February, 1938. pp. 118-125. Tokyo.

There is a possibility that Sino-Soviet relations will develop into the conclusion of a mutual assistance pact between the two countries. On the other hand, it is probable that Britain will launch conciliation efforts before the hostilities spread to South China, in the hope of preventing a wholesale retreat of British interests from China. The article points out the incompatability of the ultimate objectives of British and Soviet aid to China.

POSSIBILITY OF SIBERIAN INDEPENDENCE. By Hajime Takeo. *Kaizo* (*Reconstruction*). February, 1938. pp. 1-15. Tokyo.

In Soviet Russia's internal uncertainties, as well as for purely economic reasons, the writer sees the "historical inevitability" of Siberia's becoming independent of European Russia eventually. Far Eastern Siberia, especially east of Lake Baikal, is geographically isolated from European Russia and forms an independent economic unit with closer ties to other Far Eastern countries. Pointing to various difficulties in Moscow's program for the economic development of Siberia, including the lack of labor available for this purpose, the writer concludes that failure in the gigantic scheme now in process under Moscow's direction would provide decisive conditions for Siberian independence. In his view, the eventual liberation of Siberia will relieve the Soviet Union of the "old legacy of imperialism" which has been a constant cause of trouble to the Soviet regime.

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JAPAN VERSUS BRITAIN. By Yasuo Mishima. *Kokusai Chishiki Oyobi Kyoron* (*International Understanding & Review*). February, 1938. pp. 22-32.

Describes alleged British aid to China in recent years, economic, financial and in other forms, including a press campaign which British agents have supposedly been carrying on against Japan both in China and in other parts of the world. Citing cases of Anglo-Japanese trade rivalry in Oriental markets, the writer asserts that British activities along these lines have been solely for the purpose of maintaining her supremacy in world economics and politics, while Japan has been compelled to continue a desperate struggle for her very existence. Britain, in pursuance of her policy of anti-Japanese agitation in China and elsewhere, has persistently poured oil on the flames of anti-Japanism in China, which has now grown to such an extent that it threatens Japan with the loss of all her costly gains, when she might otherwise have contented herself with what she has achieved in Manchuria and North China. This has driven Japan into a desperate life or death struggle against China. If the present Anglo-Japanese antagonism is left to take its own course, the outbreak of another World War will be unavoidable. Britain is risking her fate for the monopoly of the Chinese market. The only underlying motive for Japan's present policy is to establish an Asiatic economic bloc among Japan, China and Manchoukuo, after the pattern of the British Imperial economic bloc. Just as the Versailles mechanism for peace has had to be revised in Europe, so the post-war balance of power in the Orient must be altered. It is obvious, in the writer's opinion, which of the two – Britain or Japan – should change her policy.

REDIRECTION OF BRITISH FOREIGN POLICY. By Ichitaro Takata. *Gaiko Jiho* (*Diplomatic Review*). March 15, 1938. pp. 129-144. Tokyo.

Recalling Britain's friendly gestures toward Japan, reportedly sponsored by Mr. Chamberlain when he was Chancellor of the Exchequer, the writer stresses the view that the British Prime Minister believes in a policy of effecting stabilisation of the Far East by collaborating with Japan and thereby safeguarding British interests in China. He believes that Britain's recognition of the Italian con-

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quest of Ethiopia will lead to a similar step toward Manchoukuo as its logical consequence.

IMPRESSIONS OF WESTERN STATESMEN. By Ichiro Hatoyama. *Chuo Kuron* (*Central Review*). March, 1938. pp. 164-174. Tokyo.

The writer, who has just returned from a seven months' trip in Europe, refers briefly to his short stay in the United States. He did not see President Roosevelt, Secretary of State Hull or any leading American statesmen, but limited himself to interviewing financial leaders, such as Mr. Lamont of J. P. Morgan & Co. and Mr. Strauss of Kuhn, Loeb & Co. He describes these financiers as having been more unfavorably impressed by the assassination of the late Finance Minister Korekiyo Takahashi, victim of the February 26 Incident of 1936, than by the bombing of the Panay. He got the impression that these financial leaders suspected that Japan was now under military administration, and he was told by them, either in earnest or as a joke, that they would be ready to lend money when a representative government was established in Japan. He was deeply impressed by the high esteem in which they held the late Mr. Takahashi, whom they apparently regarded as the sole leader of Japanese finance.

JAPAN'S "RENOVATION" POLICY.* By Tsunego Baba. *Kaizo* (*Reconstruction*), May, 1938. pp. 164-171.

"Renovation" is the watchword characterising present day Japan. All the Governments that have recently come into existence have aimed at "renovation." The Diet, too, in the name of "renovation" has passed quite a number of important bills. All the new political parties whose formation is being rumored at present are intended to

* "Renovation" is a most widely adopted translation of the Japanese word "KAKUSHIN," literally meaning "to make new." While "Kakumei," revolution, is generally detested as carrying too radical a sense and as savoring too much of Leftist idea, the word "ISHIN," restoration, often used as the "SHOWA ISHIN" is commonly looked upon as having too strong association with the extreme Rightist ideology. "KAKUSHIN" is thus a compromise between these two extremes and has gained much in official as well as popular use as the word expressing the sentiment of the majority of the nation, desiring something new in the present state of things but fearing any drastic upheaval. "KAKUSHIN," therefore, as it is generally conceived, means "effecting some fundamental renovation in the existing system, but strictly within the realm of the existing social order and unacompanied with any of the drastic changes as implied by the extreme Leftist or Rightist concept of "revolution."

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be "renovation" parties. It is no exaggeration to say that "renovation" is carrying all the country before it. What is "renovation" then?

No one in the country is opposed to "renovation" as it is commonly conceived. Every one is convinced that if Japan alone, in a world of rapid progress where no standstill is permitted, should fail to make progress, she would be a failure in the world. If, however, "renovation" means progress and development, Japan has been advancing with rapid strides since the Meiji Restoration in 1868. In politics, economics, culture, military affairs and in every other field of social life, she progressed with a rapidity that has amazed the whole world. This should convince one that the Japanese are a people who are by no means hesitant about "renovation." Without crying loudly about "renovation," Japan has never ceased to progress. That is why Japan, a country of complete seclusion in a corner of East Asia a century ago, has now been able to rank among the world's greatest powers. What, then, is the specific reason why the Government as well as the public has begun to cry loudly for renovation, particularly in recent years? What is the difference between this specific renovation and that in a common sense? In what direction is this current of "renovation" heading?

Let us first review the history of this current tide of "renovation." The general atmosphere of "renovation" first made itself felt at the time of the May 15 Incident in 1932, involving the assassination of Premier Tsuyoshi Inukai. The statements made by those participating in the incident in the course of their trial were filled with the spirit of "renovation." They are so fresh in the memory of people that their repetition here is hardly necessary. It is recalled, however, that neither Admiral Makoto Saito's Cabinet which was formed right after the incident, nor the succeeding cabinet, headed by Admiral Keisuke Okada, appeared very enthusiastic about "renovation." In the days of those Governments, the popular watchword was "emergency period" instead of "renovation." A number of policies were formulated to cope with the "emergency period." Those cabinets moved under the pressure of the "emergency period" but entirely failed to take the lead and to adopt any positive attitude toward the situation. The Saito-Okada period ended with the Incident of February 26, 1936. It is since then that "renovation" has come to the fore as the guiding principle of the time.

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What "renovation" really means has been most plainly explained by General Hisaichi Terauchi in a statement which he issued in connection with the formation of the Hirota Cabinet that succeeded Premier Okada's cabinet. Just after the February 26 Incident, Mr. Koki Hirota received an Imperial Command to organize a cabinet and he succeeded in completing a list of his cabinet personnel. The Army was dissatisfied with the personnel. It was at this time that General Terauchi issued the statement, in which he stressed that it was absolutely necessary that a cabinet, invested with the heavy responsibility of tackling the unprecedented situation, be possessed of both the spirit and the actual power to carry out positive policies, both internally and externally, of effecting fundamental renovation and of strengthening national defense. He emphasized that such a cabinet should by no means be one of liberalistic tendency, advocating the maintenance of the status quo and a passive policy and given to compromising and conservatism. The renovation of the country's administration by means of positive policies was represented by the general as the unanimous desire of the entire Army. On the other hand, mere compromising and retrogressiveness were rejected as by no means the way to cope with the situation and as likely to make it more complicated and to leave the root of evil uneradicated in the future. General Terauchi concluded by expressing a strong doubt whether a cabinet not in conformity with these lines would be capable of shouldering the heavy responsibility of overcoming the extreme difficulties of the time, both internally and externally.

Mr. Hirota, Premier-designate, was able to form his cabinet only after a series of negotiations with the Army and making some change in the cabinet personnel which he had already chosen. Following its formation, the Hirota Cabinet made public its platform, in which it stressed the gravity of the situation, both domestic and international, pointing out that the issues are all deeply rooted, and expressed its firm determination to effect a renovation of the administration and overcome the difficult situation. Thus, during Mr. Hirota's tenure of premiership, "administrative renovation" was the password. What it aimed at is similar to the present "renovation." As concrete programs for the "administrative renovation," a reform of the administrative system and also of the Parliamentary system was mentioned. With a view to carrying out these programs, inter-Ministry conferences were inaugurated and held, such as the Four-

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Minister and Five-Minister conferences. Practically nothing was achieved in the direction of the professed renovation by these conferences. The Cabinet, however, had carried out an important reform before the public paid much attention to it. It quietly revived a defunct decree providing that the Ministers of War and the Navy be appointed only from among the high officers in actual service. When the Cabinet made the decision to revive it, it was approved by the Privy Council and was then promulgated. The public was taken aback. Under the decree, no civilian or officer on the reserve list is qualified to assume the portfolio of either War or Navy. The decree had been dead for a quarter of a century, although as a matter of fact no officer out of actual service was ever appointed to assume either of these posts. The revival of the decree, however, had been effected without encountering much opposition in the Cabinet. Even the Four Ministers representing the Minseito and the Seiyukai in the Cabinet gave their approval to the decision. The Hirota Cabinet, after all, cannot be credited with having done much in the direction of the "administrative renovation" in any other respect than this, which will go down as an event of especial significance in the history of Japanese politics. Is it not then proper to say that we should regard the present powerful political current of "renovation" as having originated in this significant decision?

This decision made its effect felt immediately. When the Hirota Cabinet collapsed, General Kazushige Ugaki received an Imperial Command to form a new cabinet. In his very first step in cabinet making, he stumbled over the newly revived decree entitling only officers in actual service to the portfolios of War and Navy. He was unable to get the War Minister in his projected cabinet. None of the officers whom he desired to become War Minister accepted the offer. There seemed to be a number of officers of the full general or lieutenant-general rank on the reserve list who were willing to help the general form his cabinet by assuming the portfolio, if offered. The decree, however, disqualified them for the post. General Ugaki had finally to decline the Imperial Command. Just as in any other countries, the military are possessed of power derived from their existing organization, which alone enables them to perform their duties of national defense in time of emergency. It is therefore highly difficult for any statesman outside the military to pick up, as he pleases, a War Minister out of this solid organization.

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This presents a marked contrast to the organization of the political parties. In most cases, a Party man, when approached with an offer to become a Minister, is certain to accept the offer. If the whole party opposes, he would even give up his membership of the party and become a Minister. There have been many such instances. Moreover, except in some extreme cases, a political party has never objected to its member becoming a Cabinet Minister. Every Diet member or statesman aspires to be a Cabinet Minister, it being the final goal of his political career. When a member of a political party is within reach of his long coveted objective, no Party leaders could have the heart to tell him to refrain from reaching it. This is the political party as it stands today. Whereas the organization of the political party is loose and open to attack, that of the Army is closely knit and the entire system works under unified orders. A statesman attempting to organize a cabinet would possibly be able to accomplish his task without paying due respect to the intention of the political party. He could not be successful in his attempt if he should fail to respect the views of the solid organization of the Army. No course of "renovation policy" can be free from this condition.

The word "renovation" made its first appearance in an official Government statement when General Senjuro Hayashi, who formed a cabinet following General Ugaki's failure, published his government's platform. In a statement issued on February 8, 1937, Premier Hayashi emphasized the necessity of carrying out a renovation suitable to the times, strictly rejecting both extremism and retrogressiveness. Thus "renovation" was openly advocated in a Government platform. However, what the Hayashi Cabinet really meant by "renovation" was not at all clear at that time, although it now seems to have become a little clearer. When he was organizing his cabinet, he approached Ryutaro Nagai, of the Minseito, and Chikuhei Nakajima, of the Seiyukai, asking them to enter his cabinet but requesting them to give up party membership before doing so. They both declined the offer because of the request to leave the political parties. This indicated, it can now be seen, that the Hayashi Cabinet directed the spearhead of its "renovation" policy against the two "older" political parties. At that time, however, no one noticed this intention of the Government. The Cabinet continued to "keep quiet" throughout the Diet session, perhaps because

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of its desire to ensure a smooth passage of the State budget. The Cabinet even kept contact with leaders of the political parties and often held negotiations with them. Upon the passage of the budget, however, the Government suddenly dissolved the Diet on the grounds that it was not satisfied with the attitude of the political parties. The Government was bitterly criticized as "bilking" the Diet, but the real reason why the Cabinet resorted to such an extreme measure was not at all clear to the public at that time. Both the Minseito and the Seiyukai had cooperated with the Government during the session in the main, as was evidenced by the passage of the budget. Neither the political parties themselves nor the public at large could understand why the Government had to chastize the parties.

In the meantime, it transpired that Premier Hayashi desired to establish a new political party. It was revealed that General Hayashi had personally called on Prince Fumimaro Konoye, now Premier and then President of the House of Peers, in connection with the move. The former is said to have told Prince Konoye that he desired a new political party and urged him to head it. Prince Konoye declined and the move was deadlocked. As a matter of fact, before such a new political party could be formed, the general elections were held, and both the Minseito and the Seiyukai, which General Hayashi wanted to chastize, emerged victorious with an overwhelming majority. The dissolution of the Diet ordered by the Hayashi Cabinet was thus proved unjustified and subsequently the Government resigned en bloc. However, the dissolution itself would have had its own significance, had Premier Hayashi succeeded in organizing a powerful "renovation" political party in the meantime. It has also become clear now what General Hayashi meant by his favorite insistence on the development of Constitutional government "unique to Japan." The public was then at a loss to understand what was meant by "Constitutional government unique to Japan." What he really meant was to establish a powerful political party on the basis of "one-party-in-one-nation" and, on the strength of it, to enforce constitutional government. This would obviously have been a constitutional government almost unparalleled throughout the world.

Premier Hayashi's ideological leaning was apparent in his own words. Shortly before the collapse of his cabinet, he addressed a

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gubernatorial conference and stated that he had long doubted whether the political parties, as they existed during the flourishing days of party politics, were in conformity with the spirit of Japan's "unique national polity." He regretted opposition between the Government on one hand and the Opposition Party on the other and hoped that both the Government and the political parties could heartily cooperate with each other. He characterised as Occidental the political thought that political power should shift to a party which has secured a majority. However, the views as expressed by Premier Hayashi were contrary to the Constitution of Japan. Article 47 of the Constitution provides that votes shall be taken in both Houses by absolute majority and that in the case of a tie, the President shall have the deciding vote. It is the number that matters. Nor is Premier Hayashi's objection to the practice of opposition between the Government and the political parties justified. The spirit of the Constitution aims at encouraging discussion between different opinions. It seems that General Hayashi, who rejected this as undesirable, aspired to have only a political party which would do nothing but cheer the Government. This is, however, no longer a Constitutional government as defined by the Japanese Constitution but a Parliament of a dictatorship. If what Premier Hayashi conceived is to be called "renovation," it is in itself an undeniable advance toward a dictatorship.

The Hayashi Cabinet collapsed before it could realize its "renovation" views. Something similar to those views may be seen in the fundamental idea underlying a reform of the Parliamentary system which was advocated during the Hirota Cabinet. According to what then purported to be the views of the Army, the political theory that a majority party in the Lower House is qualified to form a cabinet should be rejected. The existing parliamentary system based on the opposition between the Government and the Diet should be reformed and it should be based on the national spirit of mutual cooperation. Therefore, according to the reported views of the Army, the Diet should not be invested with the right to make a resolution to censure the Government. Later on, General Terauchi, Minister of War in the Hirota Cabinet, announced that the Army had absolutely nothing to do with what was then rumored to be its views on Parliamentary reform. The War Minister afterward also disclosed that the rumor had originated in a careless statement

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to the press by a member of the Military Affairs Bureau of the War Office, adding that proper measures had been taken with the officer for his careless utterance.

It is notable that this view reportedly expressed by the War Office member coincided with that later expressed by Premier Hayashi regarding the political parties. It is therefore suspected that General Hayashi's view represented that which had been entertained in a certain section of the Army. If there were some definite connection between the former and the latter, it would be possible to regard the Hayashi Cabinet's "renovation" policy as representing the view of a certain section of the Army.

Following the formation of the Konoye Cabinet the renovation policy has begun to be put into execution. In his first statement to the press, Premier Konoye expressed the desire that the entire nation cooperate to strive for "renovation" or any other thing which contributes to the progress of the country. He has spoken of "renovation" too, but because of his intelligence, wisdom and international understanding, he has shown no signs of being influenced by the idea of "renovation" which was advocated by a certain section of the military and which General Hayashi attempted to put into practice without success. However, the unexpected outbreak of the "China Incident" is what has actually put his "renovation" policy into motion. Although it is still called the "China Incident" because there has been no formal declaration of war, it has since developed into large-scale warfare. In order to cope with the incident, the Konoye Cabinet demanded the united support of the nation and the country has been placed on a wartime basis on a nationwide scale.

That the renovation policy has been actually put into motion is evident from the fact that the Diet has passed both the National Mobilization and the Electric Power Acts. The former, as stipulated, is to take effect in case of war or in case of an incident similar to war. Under this act, many of the Constitutional provisions concerning the right and freedom of the people are placed at the mercy of the Government. The latter has the definite objective of providing for an abundant supply of electric power in time of war, and during the Diet session, General Gen Sugiyama, War Minister, definitely declared that the act is necessary for the purpose of national defense. This was the main cause for the passage of the

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bill. It goes without saying that the National Mobilization Bill was passed by the Diet for the sole reason that it is necessary for national defense. That means that it is from the point of view of national defense that the "renovation" policy has been inaugurated in good earnest by the Konoye Government. When that policy has been carried out, it is not hard to imagine that the nation will assume a more totalitarian aspect than before.

That the Army has an inclination toward totalitarianism is clearly shown in a War Office pamphlet regarding national defense, and General Terauchi, when he was War Minister in the Hayashi Cabinet, indicated it in the course of an address in the Diet. The enthusiasm with which the Army intends to enforce many programs necessary for national defense deserves full praise, and there is absolutely no reason to blame it for that. The question is whether or not it is proper to describe programs that are necessary for national defense as "renovation" policy, or to call by that name those policies which originate in the totalitarian ideology. Whether it is called renovation policy or not, all the policies that are necessary for national defense are received with favor by any Japanese who feels burning patrioticism towards his country. The same Japanese, however, views in a different light any "renovation" policy that originates in the totalitarian ideology, such as was embodied in the program for reform of the Parliamentary system, which was advocated by the Hayashi Cabinet. The present Konoye Cabinet and others that will follow it in the future will attempt various kinds of "renovation" policy for some time to come. Whether such policy is justifiable or not depends on whether it is based wholly on the necessity of national defense or whether it originates in the totalitarian ideology.

It should be noted that the strengthening of national defense is by no means identical with totalitarianism. It is highly doubtful whether totalitarianism means the strengthening of national defense. The World War proved that Russia, Germany, Austria and Turkey, where the Governments wielded more power than others, were vulnerable in the strength of resistance and that Britain, France and the United States, where the peoples were granted comparatively a great deal more of liberty and self-government, came out victorious in the long run. It was the same with the Russo-Japanese War of 1904-05, in which Japan, which had a parliamentary system, defeated

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Czarist Russia, which had none. To win is the absolute objective of war. In this sense, the entire nation gives their whole-hearted approval to the strengthening of national defense. They are unable, however, to come to an early conclusion as to whether totalitarianism is the way leading to the strengthening of national defense. Therefore, if "renovation" policy is only another name for totalitarian policy, it would be highly necessary to subject the idea to fuller examination.

JAPAN'S FOREIGN TRADE IN PROTRACTED WARTIME. By Kichihiko Taniguchi (Professor of Economics, Imperial University of Kyoto) *Chuo Koron* (*Central Review*), May, 1938. pp. 55-66.

With the "China Incident" now entering upon its second stage, measures are being consummated to place the nation on a full wartime basis to prepare for a protracted struggle. The focal point of wartime economy is, of course, the question of how to raise the huge amount of funds necessary for carrying through such a protracted warfare. However, more important and urgent is the question of how to obtain materials necessary for carrying out the war.

In the first year of the Sino-Japanese hostilities, Japan's war appropriations amounted to ¥2,500 million, and added to this is ¥4,850 million appropriated for the second year. If the war drags on for another year or two, the total war expenditures will amount to the enormous sum of over ¥10,000 million or even ¥20,000 million. Part of such war expenditures will be met by increases in taxation, but it is clear that by far the greatest part of the sum will be raised by Government bonds. Hence there arises the question of whether such a huge amount of Government bonds would be absorbed adequately and whether a disastrous inflation might be brought about in the event that the market is unable to absorb them.

However, there seems little difficulty in tackling this question. During the World War, Germany held out in protracted warfare lasting four years and four months, and this despite the fact that the country was completely enveloped by most of the World Powers. To meet the war expenditures, Germany issued Government bonds totalling 97,800 million marks during the war, and she succeeded in disposing of the greater parts of the bonds. Germany's total national income was estimated at that time at 35,000 million marks a year.

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Japan's total national income a year is estimated at around ¥15,000 million. If Germany was able to absorb the Government bonds, it would by no means be impossible for Japan to dispose of ¥50,000 million worth of Government bonds under the present circumstances. It is true that Germany subsequently suffered an injurious inflation, but it was during 1923-24 that it took place and it is now well-known that the inflation was caused by factors which had absolutely nothing to do with the issuance of wartime bonds.

It can thus be asserted that the question of raising necessary war funds will be settled without much difficulty, even if the war is protracted. There of course remains to be tackled the question of payment of both interest and bonds themselves. This is a question to be considered as part of post-war measures. But it is not money but materials that really matters. Whereas money can be obtained easily, the production of goods needs, besides funds, labor, technics, raw materials and time. From the viewpoint of a protracted war, the emphasis should be laid on the question of how to obtain necessary materials. Thus, foreign trade becomes the focal point of many questions relating to wartime economy.

Materials needed in a protracted war are war supplies and necessities of national livelihood. As regards the supply of the latter, Japan is well provided for. This alone accounts for the conspicuous absence of signs of any serious effect of the war upon the nation's daily life, despite the great proportions which the war has already assumed both militarily and financially. The fact is proof of Japan's advanced economic strength in general and, in particular, of her supremacy in the production of daily necessities. However, when the present wartime economy is intensified further, a certain degree of pressure upon the national livelihood cannot be avoided, but such pressure has its own limit, beyond which it would mean weakening the wartime economic structure itself. And the limit is set by the supply of foodstuffs, because limitation on their consumption is well-nigh impossible even in wartime. Japan is well endowed as regards the production of foodstuffs. Luxury foodstuffs excepted, the country is self-sufficient in foodstuffs needed for daily livelihood. This self-sufficiency in food supply, which has been Japan's motive power in peacetime economic warfare, is one of her strong points in wartime national economy. What it means to a nation is made clear by the fact that the German defeat in the World War has been largely

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attributed to her shortage of foodstuffs to sustain the nation.

The question of war supplies, however, is one of a more serious nature to Japan. Japan's production of war supplies in general has been steadily expanded with the intensification of her wartime economy through directing non-military production to that of arms and ammunition. As far as manufacturing capacity is concerned, her munitions productive power has surprisingly strengthened. What concerns her in respect to war supplies is, therefore, the question of obtaining war materials, such as iron, steel and oil.

The formation of an economic bloc between Japan, Manchoukuo and North China as a result of the present war, enabling Japan to exploit natural resources in Korea, Manchoukuo and North China, would provide her with virtual self-sufficiency in respect to most of these war materials. Iron ores would then be obtainable in adequate quantity from North China, Manchoukuo and Korea, while the supply of petroleum would be greatly supplemented with the development of the coal liquefaction industry in these areas. Since this development would require considerable time and serve no immediate purpose of the present wartime economy, the supply of materials needed at the moment must depend upon the production of foreign Powers. Hence the question of importing war supplies.

Since the outbreak of the hostilities, there has been a rapid increase in imports of war supplies, although even prior to it imports had been on a steady increase due to the process, then in full swing, of expanding productive capacity, particularly of the war industries. This naturally had an adverse effect on Japan's foreign trade, with the result that the Government had to resort to the licensing system for import bills and then restriction of imports of certain categories of goods. This has created an entirely new situation which has never before confronted the country, affecting its productive activities and distribution as well as consumption of goods. Thus, the problems of Japan's wartime economy come down to those of foreign trade, foreign exchange and international payments.

In a protracted war, intensification of control is the only way left open to foreign trade. Control is not only strengthened but it undergoes remarkable changes in its composition. Shifting of weight of control from export to import trade is one instance of these changes. As at present, restriction of imports forms the central points of Japan's wartime economy. In a wartime economy, how-

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ever, all economic problems evolve around the acquisition of materials necessary for carrying out war. In the case of Japan, therefore, the question is how to secure imports of such materials, and in this sense, the real problem should be the encouragement, instead of restriction of imports. Only the necessity of maintaining the balance of international payments calls for strict restriction of imports in spite of the acute need of materials.

The balance of international payments, in the face of imports of war supplies in huge quantity, should be maintained by means of shipment of gold in the first place. Finance Minister Toyotaro Yuki, of the Hayashi Cabinet (February to May, 1937), abandoned the policy of maintaining gold reserves at home and turned to that of shipping gold abroad to maintain the balance of international payments. Finance Minister Nobuoki Kaya, of the succeeding Konoye Cabinet, has increased the country's capacity for shipping gold by means of revaluation of gold reserves. However, so long as the Bank of Japan's gold reserves are not made available for this purpose, the maximum limit of gold shipments that Japan can afford to make is set around ¥250 million, representing the annual production of the country. This is not sufficient to cover a greater part of her imports of war supplies.

As a second measure for maintaining her international payment balance, Japan has found it necessary to resort to restriction of import bills. Thus the Foreign Exchange Control Act, in force since 1933, has since been strengthened with the advancement of the semi-wartime economy and has developed into the enforcement of the import bill license system in 1937. However, foreign exchange control alone is not effective enough to maintain the balance of international payments. Therefore, with the enforcement of the import bill license system, direct Government control of foreign trade has been introduced. This has been "legalized" with the enforcement of the Foreign Trade Adjustment Act and the Temporary Import and Export Control Act in 1937. Under the new laws, importation of non-urgent goods is categorically prohibited and even imports of raw cotton, wool and lumber are partially restricted. Such restriction is aimed not so much at improving foreign trade or protecting domestic industry as at the maintenance of the balance of international payments and therefore an increase in

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imports of war supplies results in the corresponding restriction of imports in other categories of goods of non-military nature.

Of Japan's imports, more than 80 per cent is raw materials. Any drastic curtailment of them would result in increased production costs for domestic industry and thereby bring about pressure upon the national livelihood. On the other hand the cost of production of export goods would be advanced and would impair export trade, with the result that the balance of international payments itself would be injured. If Japan's foreign trade is at present suffering from this self-contradictory effect of the control measures, her foreign trade policy needs to be drastically redirected and reorganized.

The fundamental thing is to establish definite plans for foreign trade, according to which "positive" concrete programs for its improvement will be carried out. The greatest defect in the present system of foreign trade control lies in the absence of any definite plans and in proceeding makeshift control measures.

First of all, programs for imports of war supplies must be formulated, defining all details as to the quantities and prices of major war supplies and as to the countries from which they are to be imported and also the exact time when such importation is to be made. Certain amounts of war supplies thus defined must be set aside as absolute necessities of wartime and they must be imported free of all import restrictions and foreign exchange control. On the basis of the war supply import plan thus established, with due consideration paid to a plan for exports, a similar plan for imports of non-military goods must be formulated. The main defect at present lies not in the fact that such goods are restricted but that the restrictions are being exercised without any definite plan.

Secondly, a plan for exports must be formulated on the basis of the above-mentioned import plan. The total amount of exports as a whole is to be so planned as to cover the war supply imports plus the non-military imports as well. However, since export trade is dependent upon the foreign countries with which Japan trades, the export plan will have to be subjected to revisions. To ensure a fairly accurate realization of the plan, it would therefore be necessary to carry out elaborate investigations into the market conditions of those Powers with which Japan has trade relations and into the goods which they import from her.

Thirdly, a complete reorganization of the administrative organs

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of the Government on foreign trade is an absolute necessity in order to undertake planned foreign trade. Most desired in this connection is the establishment of a new organ invested with full power of enforcing unified control of trade, possibly by coordinating the functions of the existing Foreign Trade Bureau of the Department of Commerce and Industry, the Foreign Exchange Bureau of the Finance Department and the Commercial Affairs Bureau of the Foreign Office.

In launching "positive" programs for encouraging exports under the planned foreign trade system, the first concrete step to be taken is to present the countries concerned with proposals for establishing new trade relations based on barter or reciprocity systems on the basis of Japan's increased imports of war supplies from these countries. As at present, the Indian-Japanese trade agreement provides for a barter system for raw cotton and cotton cloth, while a similar barter system for wool, cotton cloths and rayon is in force between Japan and Australia. Japan maintains similar trade systems with some countries in Central and South America as well as in the Near East. It is to be noted, however, that none of these existing barter agreements have been concluded at the request of Japan but rather they have been forced upon her by these countries. With the definite shift of weight of Japanese foreign trade policy from "passive" export control to "positive" import control, she is now in a position to take the initiative in proposing such barter system agreements with other countries on the strength of her increased imports from them.

In the first place, the existing trade agreements between Japan and Australia and also that between Japan and India need to be revised in the light of the new trade situation. Considerable possibilities of concluding new agreements on such basis are seen with the United States, Germany, the Netherlands and Egypt. In view of the fact that most of Japan's imports of war supplies come from the United States and Germany, first attempts could well be made with these countries. If the present international situation has made it difficult to negotiate such agreements between the Governments concerned, the same purpose would be served by agreements among private interests dealing with these goods in respective countries. In case the conclusion of new agreements on such basis proved impossible, the next step would probably be to enforce such reciprocity systems "one-sidedly" with these countries. Under the system, Japan

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would unilaterally stipulate that imports from a specified country should be accompanied with exports from Japan twice or three times as much as the imports. This would force the country to increase its imports from Japan in order to maintain its exports in Japan.

In supplementing such programs for increasing exports on a reciprocity or barter basis, enforcement on the part of Japan of a unified import system would be imperative in order to prevent prices of imported war supplies from rising as the result of competitive purchases by individual importers in the foreign markets. It is recalled in this connection that the German Government's "Central Purchasing Company" functioned very effectively in arranging purchases of important commodities in foreign countries during the World War.

Further efforts to promote exports can be made through a system under which a country's imports and exports are systematically linked with each other, while due consideration should be paid to the exchange clearing system, such as the one which is now most effectively employed by Germany in the form of what is generally known as the ASKI system. These systems deserve special consideration by the Japanese Government, particularly in view of the fact that, despite the serious outlook for her international balance of payments, over which much concern has been expressed, Japan has hitherto resorted to no measure which would enable her to make imports of desired goods through the channels other than foreign exchange. There is thus much to be done for improving the existing foreign trade policy and its system and thus the outlook of her foreign trade as an all-important factor in her wartime national economy by means of these new systems which have so far been left unattempted.

NATIONAL AND PACIFIC COUNCIL ACTIVITIES

Owing to the limitations of space, most of the reports of National Council activities and all the reports of Pacific Council activities have been omitted. The Secretariat is planning to include full reports in the October issue of I.P.R. NOTES and hopes that each Council will send information as to its activities to Miss Kate Mitchell, 129 East 52nd Street, New York, to arrive not later than September 15, 1938.

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INTERIM MEETING OF THE PACIFIC COUNCIL

The Chairman of the Pacific Council, Dr. J. W. Dafoe, wrote on June 17, 1938 to the members of the Pacific Council, the International Research Committee and the National Secretaries, as follows:

Owing to the exceptionally heavy responsibilities which several members of the Pacific Council have had to assume this year, and to the difficulty of finding a time and place of meeting convenient for all the members of the Council, it has seemed wise not to attempt to hold a meeting of the Pacific Council and the International Research Committee during this calendar year.

With reference to the date and place of the next Conference, I have come to the conclusion that no decision can be reached at this time. I will continue to explore the matter and will communicate with you again in August or September.

NATIONAL COUNCIL NOTES

Australia

Three major research reports of the Australian Institute are now in course of publication, these being *Land Utilization in Australia* by Dr. G. L. Wood and Professor S. Wadham of the University of Melbourne, *Standards of Living in Australia*, by various authors, and *Press and Public Opinion in Australia*, by various authors. All these reports are being issued by the Melbourne University Press.

Among the new I.P.R. projects of the Australian Institute is an investigation of economic development and administration of dependencies in the South Pacific, to be conducted under the direction of Professor Stephen Roberts of the University of Sydney. According to present plans the first part of the work, to be finished in the next six months if possible, will be a book by several authors on Papua and mandated New Guinea. The second part, to be completed in 1939, will be a comparative survey of economic development, administration, and native welfare in the major dependencies of the South Pacific.

China

As indicated in February I.P.R. Notes, the undeclared war seriously dislocated the work of the China I.P.R. from the middle of July until December. A skeleton office has been maintained in

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Shanghai throughout hostilities, but recently a new office has been established on the top floor of 10 Peking Road, Kowloon. Mr. Liu Yu-wan is making his headquarters in Kowloon and is in charge of both offices. He recently visited Hankow on behalf of the Institute.

In spite of repeated removals, the Institute of Social Sciences, Academia Sinica, has been carrying on most of its work as usual. It is now located in Kwangsi. The study of the Chinese textile industry which was entrusted to this Institute by the I.P.R. was not dropped, as reported in February I.P.R. NOTES, but has been actively pursued under the direction of Dr. L. K. Tao by Mr. Leonard Wu and others. Arrangements will probably be made to add new material on war-time control measures in the industry in order to supplement the original study, some of which will now necessarily be mainly of historical interest owing to the destruction of so many Chinese factories in Tsingtao, Shanghai and Wusih.

Arrangements are also being made to complete and publish another Chinese research report which, it was feared, might have to be given up. This is the study of the silk industry and silk-producing regions in and near Shanghai. Dr. D. K. Lieu, the director, has reported that members of his Institute of Economic and Statistical Research have remained in Shanghai and will be able to submit a report for publication.

Most of the study of Chinese tobacco-producing regions is now completed and will be prepared for publication during the next two months by Dr. Chen Hanseng. Some material dealing with family budgets has been lost, possibly only temporarily, in Hangchow as a result of the Japanese occupation.

Dr. Franklin Ho, who is serving as Vice-Minister of Economic Affairs, has been engaged in his duties at Hankow, Chungking and Kweiyang. Three of the members of the Chinese group at Yosemite are remaining in Shanghai. Among the foreign visitors who have been assisted in their studies by the China I.P.R. are Sir Anthony Jenkinson of Great Britain and Mr. John Foster Dulles and Mr. Roger S. Greene of the United States.

The Chairman of the China I.P.R., Dr. Hu Shih, has spent several months in Canada and the United States where he has visited the principal Branches of the Canadian Institute and the American Council. He will sail on July 13 for England and remain in England and on the Continent until the end of October. During the earlier

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part of his visit to the United States Dr. Hu Shih was accompanied by two other members of the China I.P.R., Dr. Chien Tuan-sheng, Professor of Comparative Constitutions at the National University of Peking (now removed to Yunnan) and by Dr. Chang Chung-fu, Professor of Diplomatic History at the same University. Dr. Chien has recently proceeded to Europe en route to China. Dr. Chang has already returned to China.

Following the destruction of Nankai University, Dr. P. C. Chang visited Switzerland, France, Germany, Great Britain, Italy and the United States, while his university was being removed to Kunmin.

Japan

The Annual Report of the International Association of Japan, 1937-38, contains the following notes on the activities of the Japanese Council of the I.P.R. not hitherto reported in I.P.R. Notes:

The Preparatory Committee for the Seventh Pacific Conference was established in June, 1937, with a view to enlisting cooperation from all parts of the country in making thorough preparations for the coming I.P.R. conference, including the selection of the delegation and the organization of inquiries and studies. Its inaugural meeting was held separately in Tokyo and Osaka. The committee, consisting of about 100 influential business and financial leaders as well as experts and scholars, is divided into the following sections:

(a) Foreign trade, tariff and control problems; problems of raw materials and markets.
(b) Fisheries.
(c) Shipping.
(d) Financial questions.
(e) General questions.

The committee is expected to appoint special subcommittees to carry out technical studies on the subjects listed above.

The following problems have been chosen as subjects for new international research projects covering the period 1936-38, and experts in various fields have already been entrusted with basic researches on the selected subjects.

Cotton Industry: The study is being conducted under the direction of Dr. T. Uyeda, President of the Tokyo University of Commerce. The production side of the study has been assigned to

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Mr. T. Yamanaka and Mr. T. Minoguchi, of Tokyo, and the consumption side to Mr. K. Hamano, of Osaka.

Shipping: As regards the shipping question in general, experts are now engaged in basic researches. Researches are also in progress with regard to the Anglo-Japanese shipping question, regarding which letters have been exchanged between Dr. T. Yamakawa, chairman of the Research Committee, and Mr. B. Ellinger, member of the British delegation to the Yosemite Conference, and Japanese experts as well as shipping interests have been consulted with respect to the views expressed by the British expert.

Fishing: The study is being conducted in parallel with those of the National Councils of the United States, the Soviet Union, Canada and Australia, and is chiefly concerned with fishing controversies involving Japan and these countries, the economic composition of coastal and inland sea fishing, labor conditions in the fishing industry and other subjects.

Economic Development of Colonies: The study, which is being conducted in parallel with the studies of French Indo-China, the Netherlands East Indies and the Australian mandated territories by the National Councils of the respective countries, is concerned with the economic development of Korea and Formosa and also with the administrative conditions in these territories.

Press and Public Opinion: Mr. Y. Matsukata, of the Domei News Agency, is entrusted with the study of the Japanese press and public opinion, this study being also in parallel with those of the National Councils of the United States, Australia, New Zealand and the Philippines.

Foreign Policy: Experts and scholars are now preparing monographs on the trends of Japan's foreign policy since the World War, with special reference to Japanese views and stand in connection with the present Sino-Japanese conflict.

Side by side with the above projects, the Japanese Council has chosen the following subjects on which to prepare data papers covering the important developments during the period 1936-38, with a view to promoting understanding of the political, economic and social conditions of this country.

Development of Japanese economic control.

Japan's social legislation and social policy in recent years.

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Recent development in Manchuria.

Problems relative to the China Incident.

In addition to these, the Council intends to take up such other subjects as may be deemed necessary for preparing data papers and providing material for discussion at the next I.P.R. Conference.

The postponement of the Pacific Council's interim meeting, scheduled to take place at Nanking in April, 1938 to make a final decision on the time and site of the next I.P.R. Conference, does not necessarily mean the postponement of the Conference itself, which is scheduled for 1939. All the other National Councils are making preparations on the basis of this view regarding the next conference. Thus, the Japanese Council, taking into full consideration the domestic and international situations, is proceeding with all necessary preparations with a view to participating in the next conference, irrespective of when it is held, and to presenting the Japanese views on the present Far Eastern conflict to the other delegations attending the conference. The above-mentioned research projects and the preparation of data papers represent only part of such preparations.

"The Political and Economic Aspects of Trade Competition in the Pacific" was tentatively decided at the Yosemite Conference as the major agenda of the next conference. Important developments which have since occurred to the international relations in the Pacific area have raised the question of choosing a more realistic and appropriate agenda. However, in view of the unsettled situation in the Far East, the National Councils are convinced of the difficulty of deciding upon any detailed agenda and are considering respectively some agenda having elasticity. The Japanese Council is paying serious consideration to this question, conducting in the meantime researches regarding the causes, developments and future of the present Sino-Japanese conflict, maintaining close contact with the International Secretariat and also sounding the other National Councils on their views.

The Japanese Council, following the outbreak of the hostilities, has started activities with a view to preventing the aggravation of the situation and facilitating its settlement. At the same time, the Council, in accordance with the spirit of the I.P.R., has launched activities designed to promote understanding on the part of foreign

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countries of the incident itself as well as Japan's views on it. Activities by the members of the Council include:

(a) Viscount Ishii's trip to Europe.
(b) Dr. Yamakawa's lecture tours in the northeastern parts of Japan and in the Hokkaido. (See I.P.R. NOTES, No. 9, February, 1938.)
(c) Mr. Y. Tsurumi's trips to both Australia and the United States.
(d) Mr. C. Kadono's trips to Europe and the United States.

At the suggestion of the Secretary General of the I.P.R. the Japanese Council has started exchange of information with the other National Councils in connection with the Sino-Japanese conflict. The Council, under the arrangement, is regularly receiving clippings of press comments on the conflict from the British, French and other National Councils, and in return, it is providing them, through the International Secretariat, with clippings of Japanese press comments as well as of articles indicative of the trends of public opinion in this country.

NEW ZEALAND

A comprehensive series of essays on the economic and political problems of New Zealand in recent years will shortly be published as a book under the joint auspices of the New Zealand I.P.R. and the New Zealand Institute of International Affairs. It will be submitted as a document for the forthcoming British Commonwealth Relations Conference to be held in Australia in September, and will also be on sale to the public.

The New Zealand Council has recently started a collection of papers by various authorities on "The Modern Maori," under the general direction of Dr. Ernest Sutherland of Canterbury College.

Sir James Allen has resigned as Chairman of the New Zealand I.P.R. and as New Zealand member of the Pacific Council. No successor has as yet been appointed.

U.S.S.R.

The first volume of the Great Soviet World Atlas, under the directorship of Dr. V. E. Motylev, Chairman of the U.S.S.R. I.P.R., has now appeared. Its publication is an event of major importance in the scientific and geographic world. A full review of this monumental work is planned for an early issue of PACIFIC AFFAIRS.

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RICHARD LIONEL PYKE

The Times, London, March 5, 1938:

"The death of Richard Lionel Pyke in Shanghai on March 2, after a short illness, at the early age of 38 will be regretted by a particularly large circle of friends and acquaintances.

"The younger son of Lionel Pyke, Q.C., leader of the Admiralty Bar, he inherited some of his father's exceptional qualities and possessed unusual integrity of mind. He was educated at Clifton College, and after a short war service entered King's College, Cambridge, where he read economics. After a period of post-graduate study in psychology, he undertook an investigation on "The Legibility of Print" for the Medical Research Council, the report on which, published in 1926, is a standard work on this subject. Pyke then undertook a series of investigations for the National Union of Students, the most important being the report on library facilities available for undergraduates. His chief interest lay in writing, and his novel 'The Lives and Deaths of Roland Greer' (1926) had considerable *succés d'estime* both in England and in America and showed his power of psychological analysis.

"Early in 1932 he joined the staff of the Royal Institute of International Affairs, where his vivid personality and keen sense of humour and his capacity for hard and concentrated work endeared him to all those with whom he came into contact, both at Chatham House and at the first meeting of the British Commonwealth Relations Conference, which he helped to organize in Toronto in 1933. In August, 1935, he transferred to the staff of the Institute of Pacific Relations as Publications Secretary, and it was in this capacity that he visited the Far East, first in 1936 and again in 1937-38. His passion for the unusual and love of travel off the beaten track are reflected in his last book, 'The Green Edge of Asia' (1937). Sensitive and essentially retiring, Richard Pyke had an understanding of human nature which gave him a rare capacity for friendship."

Mr. Pyke was to have finished his work in the publication office of the Pacific Council in Shanghai on February 28. He was then planning to take a tour through Southeastern Asia and India, returning to London in September, when it was hoped he would undertake a study of the press and public opinion in Great Britain.

From the beginning of his work as a member of the International Secretariat in October, 1935, Mr. Pyke brought to the I.P.R. a keen, analytical mind and a sensitive perception which showed itself in every one of the tasks he so successfully accomplished. His private memoranda on Far Eastern events were both penetrating and de-

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tached. His deep loyalty to the ideals of the Institute and his scrupulous regard for the highest standards in all his work made him an invaluable member of the Secretariat. To many members of the I.P.R. the sense of personal loss at his going is great. The loss to the Institute is also great, for if he had been able to complete his notes on his observations during the past year in the Far East he would have produced a contribution of permanent value.

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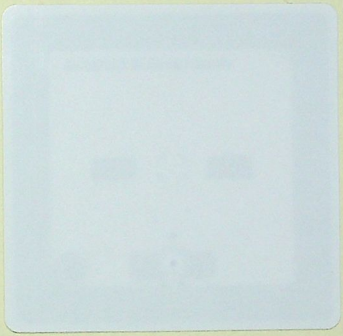

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