RELATIONS WITH JAPAN 1938-1940

Principles of United States Policy

IN OUR RELATIONS with Japan the United States Government sought constantly and consistently to protect this country's nationals and rights, and to uphold the principles of peaceful and orderly international conduct which Japan was violating by its attack on China. At the same time, in keeping with overwhelming public sentiment, this Government endeavored to prevent the development of a situation which would be likely to involve the United States in hostilities. It consistently protested against and declined to give assent to actions on the part of and situations brought about by Japanese authorities or agents in China in violation of treaties and international law and through the unwarranted use of force. While resolved not to compromise the principles of United States policy-much less abandon those principles-it sought to avoid closing the door to such chance as there might be, however small, for peaceful negotiation of differences and general pacific settlement.

Throughout this period the United States Government had under active consideration various ways and means which might be used to induce Japan to renounce its policies and programs of conquest and domination through the use of force or threat of force. Among other methods, this Government frequently had under consideration the question of applying economic pressure-advocated in many quarters as a means of checking Japanese aggression. It was the opinion of the responsible officials of the Government, including the highest military and naval authorities, that adoption and application of a policy of imposing embargoes upon strategic exports to Japan would be attended with serious risk of retaliatory action of a character likely to lead to this country's becoming involved in war. Practically all realistic authorities have been agreed that imposition of substantial economic sanctions or embargoes against any strong country, unless that imposition be backed by show of superior force, involves serious risk of war.

The President and the heads of the Army and the Navy and the Department of State were in constant consultation throughout this period in regard to all aspects of the military and diplomatic situation confronting the United States. They knew that Germany and Italy were arming in Europe, as Japan had armed in the Far East, preparatory to resorting to force to achieve objectives of expan sion. They realized that, with the outbreak in 1939 of war in Europe, the fall in June 1940 of France, and the conclusion in. September 1940 of the Tripartite Pact, danger of war in the western Pacific was progressively increasing. They realized also that Axis; preparations were virtually complete and that this country and similarly minded countries were far behind parity with offsetting preparations. They were in agreement that prevailing public opinion in this country and, with the imminence of and finally the outbreak of war in Europe, the comparative military unpreparedness of this country were such as to render it inadvisable to risk, by resort to drastic economic measures against Japan, involvement in war. Even before the common objectives of Germany, Italy, and Japan were formalized in the Tripartite Pact, this Government had to consider that if the United States became involved in war there might easily arise the problem of defense in both oceans-and to meet that problem this country was not adequately prepared.

The foregoing were the principal considerations which determined this Government's course with regard to proposed use economic pressures.

"Moral Embargoes"

Throughout this period there was wide-spread bombing of Chinese civilians by the Japanese. This practice aroused great indignation in the United States. It also adversely affected American nationals in China. The Secretary of State on June 11, 1938 condemned the practice and its "material encouragement". On July 1,

1938 the Department of State notified aircraft manufacturers and exporters that the United States Government was strongly opposed to the sale of airplanes and aeronautical equipment to countries whose armed forces were using airplanes for attack on civilian populations. In 1939 this "moral embargo" was extended to materials essential to airplane manufacture and to plans, plants, and technical information for the production of high-quality aviation gasoline. These measures resulted in the suspension of the export to Japan of aircraft, aeronautical equipment, and other materials within the scope of the moral embargoes. As Japanese purchases in the United States of "arms, ammunition, and implements of war", other than aircraft and aeronautical equipment, were relatively unimportant, these operated ultimately to stop the export of arms to Japan.

This Government also, beginning in 1938, adopted and put into effect a policy of informally discouraging the extension of credit by United States nationals to Japan.

United States Protest December 31, 1938

As the conflict between Japan and China developed, interferences with the rights and interests of the United States and its nationals, by Japanese or Japanese-sponsored agents in China became more and more frequent. The Government of the United States on many occasions protested to the Japanese Government against these interferences. In a note presented December 31, 1938 the United States declared that these interferences were not only "unjust and unwarranted" but also "counter to the provisions of several binding international agreements, voluntarily entered into" to which the United States and Japan were parties. The note stated that the people and Government of the United States could not assent to the establishment of a regime "which would arbitrarily deprive them of the long-established rights of equal opportunity and fair treatment". In reply to Japan's claim that it was establishing a "new order based on genuine international justice throughout East Asia" it was stated that the United States did not admit there was warrant for any one power to prescribe the terms and conditions of a "new order" in areas not under its sovereignty. Finally the note declared that the United States could not assent to the abrogation of any of its rights and obligations by the arbitrary action of any other country, but-was always ready to discuss proposals based on justice and reason for the resolving of problems by the processes of free negotiation and new commitment on the part of all parties directly concerned.

Notice of Termination of Commercial Treaty With Japan

As evidence accumulated of the endangering of American lives, the destruction of American property, and the violation of American rights and interests by Japanese authorities or Japanese-sponsored agents in China, and after diplomatic representations had failed to effect a substantial alleviation of the situation, further consideration was given to the possibility of commercial retaliation against Japan. It was felt that the 1911 commercial treaty between the United States and Japan was not affording adequate protection to American commerce either in Japan or in Japanese-occupied portions of China, while at the same time the operation of the most-favored-nation clause of the treaty was a bar to the adoption of retaliatory measures against Japanese commerce. Consequently, in July 1939 this Government gave notice of termination of that treaty at the end of the six-month period prescribed by the treaty. That termination removed the legal obstacle to an embargo by the United States upon the shipment of materials to Japan.

Secretary Hull's Conversations With the Japanese Ambassador

Secretary of State Hull in a conversation with the Japanese Ambassador on July 10, 1939 said that while the present interests and rights of the United States in the Far East were highly important, the serious question was whether all of China and the Pacific islands skirting it were to be "Manchurianized" by Japan, with international law destroyed and treaty observance abolished and all other nations excluded from that half of the world.

In connection with the Ambassador's suggestion for possible cooperation of the United States and Japan to compose the threatening dangers in Europe, the Secretary said that the single test of this Government in dealing with other governments was the question of peace, that we considered the preservation of peace so supremely important to the future of all nations that we drew the line between, on the one hand, honest, law-abiding, peaceful countries and peoples, without reference to their form of government, and on the other, those who were flaunting law and order and threatening military conquest without limit as to time or extent. He said that we would work in a friendly spirit with every peaceful nation to promote and preserve peace and that, while we had no alliances with any nation, we would keep thoroughly armed and prepared to take care of our interests and rights; that we had made every kind of plea to European countries for the peaceful settlement and adjustment of their relations and we had indicated our readiness to cooperate in every feasible plan to restore international trade and finance. Notwithstanding these earnest pleas, he said, nations could not but take notice that Japan herself was engaged in military operations for purposes of conquest; this situation might well now have an ending if Japan were to exercise its fullest influence along with the United States and other countries in efforts to stop threatening military conquest in other parts of the world.

The Japanese Ambassador made no particular comment on the Secretary's remarks except to state that there had been reports in the United States, that Japan might enter into a military pact with Germany and Italy, whereas the truth was that Japan had no idea of doing so; that Japan, because of its proximity to and difficulties with Russia had been interested in the anti-Comintern policy of certain European states and in working with them against Bolshevism.

A few weeks later, at a time when the outbreak of war in Europe was imminent, Secretary Hull again talked with the Japanese Ambassador. In this conversation, on August 26, 1939, five days after the announcement that Germany and Russia had agreed to sign a non-aggression treaty, the Ambassador said that his Government had decided to abandon any further negotiations with Germany and Italy relative to closer relations under the Anti-Comintern Pact. He said that the change in affairs in Europe made this course manifest.

The Secretary said that the United States had made representations over and over again in protest against Japanese actions which had conflicted with principles and policies of the United States. The Japanese Government had given assurances time after time that it would respect the principles involved, but over and over Japanese authorities had immediately committed other acts in disregard of them. The United States, the Secretary said, wished to have amicable relations with every other country in the world; our policy was a policy of "live and let live"; we sought nowhere any special position. The world was being given new object lessons in the futility of policies wherein nations planned to take advantage of other nations by the use of armed force in disregard of legal and moral principles and generally accepted axioms of friendly inter national intercourse. In conclusion, the Secretary said that the future of United States-Japanese relations was largely in the hands of Japan; that our permanent policy was one of friendliness and fair-dealing toward all nations.

Status of Netherlands Indies

The outbreak of war in Europe in September 1939 naturally affected and complicated the situation in the Pacific. In April 1940 the Japanese Minister for Foreign Affairs made a statement expressing concern on the part of his Government for the maintenance of the status quo of the Netherlands Indies. On April 17 Secretary Hull stated that the Netherlands Indies were an important factor in the commerce of the whole world; that they produced considerable portions of the world's supplies of important commodities, such as rubber, quinine, and copra; that many countries, including the United States, depended substantially upon them for these commodities. Intervention in the domestic affairs of the Netherlands Indies or any alteration of their status quo by other than peaceful processes would, the Secretary said, "be prejudicial to the cause of

stability, peace, and security not only in the region of the Netherlands Indies but in the entire Pacific area".

Three days later, in a conversation with the Japanese Ambassador, the Secretary stated that there was no more resemblance between our Monroe Doctrine and the so-called Monroe Doctrine of Japan than there was between black and white. Our Monroe Doctrine, he said, contemplated only steps for our physical safety, while Japan's doctrine was seemingly applicable to all other purposes and objectives including economic, political, and social objectives.

In a conversation with the Japanese Ambassador on May 16, 1940, at the time when the German armies were smashing through Belgium and the Netherlands, the Secretary remarked that it appeared more and more evident that no country was safe from aggressive intervention by force in one way or another and that the only thing a nation could do was to "arm to the teeth" and be ready for any serious interference with its rights and interests by military force or threat of force. However, he continued, this Government was striving for peace year in and year out and our constant desire was to promote and preserve peace both with other countries and among other countries.

The Secretary then brought to the attention of the Ambassador a report from Tokyo which indicated that Japanese newspapers were emphasizing some supposed special interests of Japan in the Netherlands Indies. The Secretary said it seemed very surprising that Japan, after endeavoring to spread itself over the huge Republic of China, might not be content unless it extended itself to take in the great archipelago comprising the East Indies, presumably with a view to shutting out all equality of trade opportunities among nations. The Ambassador replied that his Government was satisfied with the Netherlands Indies situation and had no plans or purposes to proceed there.

Instruction to Ambassador Grew

On May 30, 1940, in a telegram to Ambassador Grew in Japan, Secretary of State Hull reviewed the world situation in the light of recent developments in the European war. He said that the United States was going forward strenuously with plans and production which soon would greatly increase our military strength. Whatever the results of the European war, he said, the United States would probably in a relatively short time be more powerful militarily and better-organized in the economic field than it had been for many years. He was convinced that a general international deterioration could be checked only by determined and enlightened resistance by nations which desired that principles of law, order, justice, and national sovereignty should survive and principles of economic freedom prevail. He referred to reports that the Japanese were considering whether they would throw in their lot with Germany, which was committed to the use of force for purposes of conquest, or would give their support to the principles advocated by the United States and many other nations. He emphasized the necessity of making clear that the United States had not modified nor would it modify its opposition to policies of attempting to achieve international objectives by use of force, whether on the part of Japan or of any other nation.

On June 28, 1940 the Secretary of State discussed the Far Eastern situation with the British Ambassador and the Australian Minister. In discussing possible steps to oppose Japanese aggression in the Far East, the Secretary declared that the United States had been exerting economic pressure on Japan for a year; that the United States Fleet was stationed in the Pacific; and that everything possible was being done "short of a serious risk of actual military hostilities" to keep the Japanese situation stabilized. This course, he added, was the best evidence of the intentions of the United States in the future. In regard to a possible settlement between Japan and China, he set forth two points; first, that for such a settlement the principles underlying Japanese policy would have to be negatived or at least seriously modified; second, that properties or interests of China must not be offered to Japan, or in other words that peace must not be made with Japan at the expense of China or of the principles of international policy to which the United States was committed.

Temporary Closing of the Burma Road

In the middle of July 1940 reports became current that the British Government, at the instance of the Japanese Government, would prohibit temporarily the movement of certain commodities through Burma into China. On July 16, Secretary of State Hull, in reply to inquiries by press correspondents in regard to these reports, made comment that the United States Government had a "legitimate interest in the keeping open of arteries of commerce in every part of the world" and considered that action such as this, if taken, "would constitute unwarranted interpositions of obstacles to world trade". On July 18 the foreshadowed restrictions were, under the provisions of a British-Japanese agreement, imposed by British authorities for a period of three months. Upon expiration of the term of the agreement under reference, those restrictions were lifted by the British authorities at midnight, October 17, 1940.

Report From Ambassador Grew

The United States Ambassador in Japan cabled to the Secretary of State on September 12, 1940 that whatever the intentions of the existing Japanese Government, there could be no doubt that the military and other elements in Japan saw in the world situation a "golden opportunity" to carry their dreams of expansion into effect; that the German victories, "like strong wine", had gone to their heads; that they had believed implicitly until recently in Great Britain's defeat; that they had argued that the war would probably be ended in a quick German victory and that Japan's position in Greater East Asia should be consolidated while Germany was still agreeable; and that, although carefully watching the actions of the United States, they had discounted effective opposition on our part.

However, the Ambassador went on, a gradual change could now be sensed, as it was beginning to be seen by the Japanese that Germany might not defeat Great Britain after all. The Japanese saw Great Britain and the United States steadily drawing closer together in mutual defense measures. Furthermore, it was beginning to be questioned in Japan whether even a victorious Germany would not furnish a new hazard to their program of expansion. There was also an uncertain factor in their calculations regarding the future attitude of Russia. The Ambassador said that until the world situation, particularly the position of the United States, became clearer, Japan's "nibbling policy" appeared likely to continue.

Referring to the question of "sanctions", the Ambassador warned that the probability must be contemplated that drastic embargoes on such important products as oil would be interpreted in Japan as sanctions, and that some form of retaliation might and probably would follow. The risks, he said, would depend on the "do or die" temper of the Japanese Army and Navy should they impute to the United States the responsibility for the failure of their plans for expansion. The retaliation, he said, would probably be some sudden stroke by that Navy or Army without the prior authority or knowledge of the Government. Japan was, he said, one of the predatory powers; having submerged all ethical and moral sense, it had become unashamedly and frankly opportunist, seeking at every turn to profit through the weakness of others. He believed that United States interests in the Pacific were definitely threatened by Japan's policy of southward expansion. Japan, he said, had been deterred from taking greater liberties with our interests only because it respected our potential power; also, it had trampled upon our rights in exact ratio to the strength of its conviction that the people of the United States would not permit that power to be used. If, the Ambassador said, we could by firmness preserve the status quo in the Pacific until Great Britain should be successful in the European war, it would be impossible for the opportunist philosophy in Japan to keep the upper hand; then it might be possible to undertake a readjustment of the whole Pacific problem on an equitable basis. Until there was in Japan a complete regeneration of thought, he said, nothing but a show of force coupled with the determination that force would be used if necessary could effectively contribute to such an outcome and to the future security of the United States.

Japanese Penetration Into Indochina

Even before the French-German armistice was signed in June 1940 the Japanese militarists began to exert pressure on French Indo-china. Throughout the summer of 1940 this pressure continued. On September 22, following a Japanese ultimatum involving a threat of force, a military agreement concluded between the French and Japanese authorities provided for Japan's use of three airdromes and for the transit, in case of operations against China, of Japanese troops. Notwithstanding this agreement, Japanese forces attacked Indochina and occupied several strategic points there. On September 23 Secretary of State Hull, referring to these events in Indochina, declared that it seemed obvious that the status quo there was being upset "under duress"; he repeated that the United States disapproved and deprecated such procedures.

On September 27, 1940 announcement was made of the conclusion of the treaty of alliance between Germany, Italy, and Japan containing a threat against the United States.

Restrictions on Exports to Japan

The "moral embargoes" of 1938 and 1939, referred to previously, brought about the cessation of the export to Japan of airplanes, aeronautic equipment, and certain other materials. As the rearmament program in the United States gained momentum and required more and more available strategic materials, this Government gradually adopted measures, legislative and administrative, which resulted in a steady decline of export to Japan of such materials. The Export Control Act of July 2, 1940 authorized the President, in the interest of national defense, to prohibit or curtail the export of basic war materials. Under that act, licenses were refused for the export to Japan of aviation gasoline and most types of machine tools, beginning in August 1940. After it was announced in September that the export of iron and steel scrap would be prohibited, Japanese Ambassador Horinouchi protested to Secretary Hull on October 8, 1940 that this might be considered an "unfriendly act". The Secretary told the Ambassador that it was really "amazing" for the Japanese Government, which had been violating in the most aggravating manner American rights and interests throughout most of China, to question the fullest right of this Government to impose such an embargo. To go further and call it an "unfriendly act", the Secretary said, was still more amazing in the light of Japan's conduct in disregarding all law, treaty obligations, and other rights and privileges and the safety of Americans, while proceeding to an ever-increasing extent to seize territory by force. The Ambassador replied that he very much regretted the differences between Japan and the United States and that strife between them would be extremely tragic for both. Secretary Hull agreed that such an occurrence would be exceedingly unfortunate but added that this Government had been extremely patient. The Secretary went on to say that we stood for law and order and treaty observance and justice, along with genuine friendliness between the two countries; that it was clear now, however, that those dominating the external policy of Japan were, "as we here have believed for some years, bent on the conquest by force of all worthwhile territory in the Pacific Ocean area without limit as to extent in the south and in southern continental areas of that part of the world". Furthermore, we and all other nations were expected by Japan to sit perfectly quiet and be cheerful and agreeable, but static, while most of Asia was "Manchurianized", which would render practically impossible all reasonable or satisfactory relations so far as other nations were concerned, and would result ultimately in correspondingly lower levels of existence for the people of most of Asia.

The Secretary reiterated that it was unheard-of for a country engaged in aggression and seizure of another country, contrary to all law and treaty provisions, to turn to a third nation and seriously insist that the latter would be guilty of an unfriendly act if it did not cheerfully provide some of the necessary implements of war to aid the aggressor nation in carrying out its policy of invasion. The Secretary made clear to the Ambassador this Government's view that Germany and Japan were undertaking to subjugate both of their respective areas of the world and to place them on an international order and a social basis resembling that of eight centuries ago.

Despite the Japanese protest, a total embargo on the export of iron and steel scrap to destinations other than countries of the Western Hemisphere and Great Britain went into effect on October 16, 1940.

The effect of United States policy in regard to exports to Japan was that by the winter of 1940-41 shipment had ceased of many strategic commodities including arms, ammunition, and implements of war, aviation gasoline and many other petroleum products, machine tools, scrap iron, pig iron, iron and steel manufactures, copper, lead, zinc, aluminum, and a variety of other commodities important to war effort.

Source: U.S., Department of State, Publication 1983, *Peace and War: United States Foreign Policy, 1931-1941* (Washington, D.C.: U.S., Government Printing Office, 1943), pp.87-97

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