

AMERICAN UNIVERSITIES FIELD STAFF

JAPANESE VIEWS ON CHINA

A Letter from A. Doak **Barnett**

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It is spring in Japan, The cherry trees are in bloom, and their pink and white petals are scattered on the hillsides in a trail following the warm weather from West to East,

Spring is a time of change,

Temples throughout Japan are filled with milling crowds of people, while in the parks uninhibited **young** men, drunk with the breath of spring and hot sake (rice wine), stagger through indulgent crowds, celebrating the change of seasons.

In **Tokyo**, businessmen, civil servants and professors speculate about the possible downfall of the Liberal (**conservative**) Yoshida Cabinet. Sensational cases of corruption, arrests of Diet members, and complex political machinations have created a wide-spread feeling that a change is inevitable - although it may only result in another Liberal Government, or a new conservative grouping of parties. **Even** the atmosphere in Japan is suspected of change, and at fishing ports scientists with Geiger counters are warily testing the boats, the **fishermen** and the fish. Radio-active mists from the recent H-bomb explosion contaminated a few Japanese fishermen in mid-Pacific, and the emotional contamination has spread through the general atmosphere in Japan. The Geiger counters of public opinion show a rise in symptoms of pacifism, defeatism and resentment against the U.S. in the country which carries the scars of Hiroshima and Nagasaki.

It is spring and a time of change in Japan in a very basic sense, After the winter of war and military occupation, Japan is still undergoing the process of **national** rebirth. It is groping, trying to solve new political, economic and social problems, searching for a new national aim, adjusting to a new world situation. The groping is **full** of **uncertainties** and confusion.

One of the most dramatic symbols of the change which has taken place in **Japan's** international position during the past fifteen years is the altered relation of Japan and China.

In 1939 Japan was the colossus of the East, and China was the helpless victim of its aggression. Formosa and Korea were

Japanese colonies, Manchuria was a **puppet**, North China was under firm Japanese control, and much of the rest of China was occupied by **Japan's** armies, Japan monopolized the China market and regarded the Chinese condescendingly as a cultured but inept people who could only benefit from the blessings of **Japanese** colonial rule,

In 1954 Communist China, backed by the Soviet Union, is the colossus of the East, with armies occupying North Korea and military aid flowing to **Vietminh** armies in Indo-China, Japan, by contrast, is a military vacuum, stripped of its empire, demilitarized, dependent upon **U.S.** economic aid and military **support**.

How have the **Japanese** reacted to this new situation, and **what** do they now feel about relations with China?

China, which Japan **formerly** almost conquered, today disdains to sign a peace treaty with Japan and is able, in its turn, to be condescending - alternately wooing the Japanese people and attacking the **Japanese** Government, China, which was formerly weak and divided, a natural field for Japanese colonialism, is now united, militarized and strong; as a partner of Russia it constitutes a geopolitician's nightmare, **China**, which was once Japan's main market and source of raw materials, is now virtually eliminated from Japan's foreign trade, How have such radical **changes** affected Japanese thinking?

These were some of the question marks in my mind during the two short weeks **which** I have just spent in Japan, They are still question **marks**; in two weeks I was able to talk with only a few people. But from selected persons I did receive impressions of what at least a few Japanese are thinking and feeling about **Japan's** relation to its continental neighbor in 1954. The persons with whom I talked included a leading **conservative** Diet member who headed an unofficial Japanese mission to China last year, a well-known left-wing professor who is a prolific writer, a former civil servant who is politically independent but has served under the Yoshida Cabinet, a middle-of-the-road **correspondent** who is the China expert for a large **Japanese** news agency, the research head of an economic **institute** in Tokyo, and executives of one of the largest steel **companies** in Japan (as well as American correspondents and political analysts in the **U.S. Embassy**). The views of these people cannot be accepted as infallible barometers of current public opinion in Japan on Japanese-Chinese relations, but they undoubtedly are representative of important segments of articulate public opinion in Japan,

Favorable Opinions on Communist China. Despite differences of opinion on China which I discovered among the people I met in Japan, I was struck by several general trends of thinking considerably out of line with present-day **U.S.** policy toward China, which were shared by **almost** everyone, whether right-wing industrialist or left-wing intellectual, with whom I talked.

One question I asked everyone was, "What do you think of the present **Communist** regime in China, and what do the majority of ordinary Japanese think about **it?**"

The replies varied in details, but through them all ran an **undercurrent, not** of hostility and fear of the new **Communist** power facing Japan across the Yellow **Sea, but** rather of qualified admiration for the strength, discipline, energy and sense of purpose characterizing the Chinese **Communist** regime.

My conversation with the Diet member who headed a mission to China last year throws some light on the type of influence which has created such an attitude. This man is a member of one of the conservative parties in the Japanese Diet; the mission he headed included members of all major **parties** but was predominantly conservative. Invited to China to promote trade relations, the mission spent over a month in Peking and then, after its return to Japan, issued a report which **was** clearly favorable to the Chinese **Communist** regime,

"**Communist** China is quite different from the Soviet Union," this man said to me, "It is avoiding the extremism of the early days of the Russian **revolution.**" He elaborated by citing several examples of Chinese Communist policies, in a way which showed that he had formed numerous **judgments** on Communist China on the basis of a few facts, many half-truths, considerable ignorance and fuzzy thinking. He **was** considerably impressed by **China's** land reform and labelled it "**more** moderate than **MacArthur's** land reform in **Japan**" (1) ; he underplayed the role of violence and struggle in the **land** redistribution process, and he **knew** nothing of recent Chinese moves toward collectivization. He spoke admiringly of **Communist China's** "**nationalities policy**" which "**proves** their desire to cooperate with, rather than to dominate, other **people**"; he showed no comprehension of the element of strong central control of minority groups inherent in this policy. His net impression of Communist China **was** one of a country "**whose ultimate aim is similar** to the **Russians'** but which is using **very** different, **more** moderate methods to achieve the **aim,**" and he is obviously propagating a view of China which is favorable to the Communist regime in its main outlines. **He** advocates the establishment of "**friendly relations**" between Japan and Communist China as soon as possible,

The activities of pro-Peking conservative party **members** of this sort have been one important influence on Japanese public opinion, but an even more extensive influence has been **that** of left-wing intellectuals.

The **Communists** and their active fellow-travellers in Japan are, of course, unreserved in their praise of **Communist** China. Such controversy as exists **among** them does not **concern** whether or not a **Communist** regime in China is a good thing **from Japan's** viewpoint (this is accepted without question); it centers on recondite doctrinal questions such as **whether** or not **Communist**

China can simultaneously pursue a policy of **"New Democratic"** class coalition and embark on its first Five Year Plan.

The **Communist** Party, however, is not a major force in Japan at present. But intellectual Marxism is more important. Everyone I talked with asserted that academic and intellectual groups in Japan are predominantly Marxist, and that for both ideological and cultural reasons these groups for the most part **admire** the Communist regime in China - or at least minimize its faults and any possible threat to Japan.

Intellectuals in Japan do not seem to have the prestige and influence in political life which their counterparts in China have had in recent decades, and I was told that many of them abandon their Marxism when they are absorbed into business or public life, but there is no doubt that they play an important role in the process of **shaping** public opinion in Japan. **Their** views on China are influential.

One such intellectual in a leading Tokyo university said to me, **"Almost** all Japanese, even conservatives, who have visited **Communist** China are greatly impressed by the morale, energy and efforts at reconstruction which they have seen, especially in comparison to past conditions in China. Naturally our general attitude is favorable to Communist China." He went on to say, **"There** is a long history of relations and cultural affinity between China **and** Japan. It is true that a **few** years ago **we** tended to look down on the Chinese, but now there is a feeling of friendly equality."

The organs of public **opinion** in Japan at present appear for the most part to reflect attitudes of this sort, vaguely favorable to Communist China. Many Japanese publications are energetically **trying** to create a favorable image of **Communist** China. Others, more objective, present two sides of the picture, but favorable reports tend to outweigh unfavorable ones. Actively anti-Communist publications and reports unfavorable to the Chinese **Communists** are in the minority.

Pacifism, Neutralism and Defeatism. Another question I asked almost everyone I met in Japan was, **"Do** you think that the rise to power of a strong **Communist** regime in China creates a threat to Japan, **and, if so, what** sort of policies should Japan follow to meet the **situation?"**

The answers to this question which I received from Japanese were a real surprise to me. In view of **Japan's** recent history I expected the replies to reflect thinking based upon the geographical and military realities of the present balance of power in Asia. Instead they revealed strong currents of pacifism, neutralism and defeatism.

**Wars in** Korea **and Indo-China** have not galvanized Japanese into realization of a possible threat to a weak Japan from a strong

Communist China - if the people with whom I talked are any indication of general public opinion, I sensed only a feeling of helplessness, used to justify opinions which most Americans would call wishful **thinking**.

A Japanese newspaperman, who has studied Russia and knows Communist China well, said to me, "**China** and Russia, despite their character, would not attack Japan militarily unless a third world war started. If a world war starts within the next few years, it **doesn't** make any difference what Japan **does**; it will be destroyed. It is best, therefore, to work for peace and against war, in every possible way, even at the expense of defense. How can Japan be defended in an age of atomic weapons? The **only** arms buildup which makes any sense, therefore, is the minimum force required to guarantee **Japan's** internal security - so long as this **doesn't** lower the present living **standard**."

His view was reflected by most of the other persons I met. "**Japan** cannot possibly build up enough military strength for real **defense**," one **man** said to me, "**Even** if a potential threat from **Communist** China does exist, therefore, Japan can do little about it. The only policy we can follow is one of keeping apart from both world blocs and using **our** influence to encourage world peace and **disarmament**."

The left-wing intellectual said, "**There** is no threat to Japan now from either China or Russia. But there is a danger that American policies designed to prevent a war might actually start one. If this happened Japan would undoubtedly be invaded; the U.S. would probably not be able to protect us. Our best course is to avoid commitments to either side in the world struggle and hope for the **best**."

Only one man I talked with expressed a different view. He said, "**Japan** must abandon the idea of neutrality, line up with the West **and** rearm for **defense**." He added, however, "**At** present there is almost no sense of threat among Japanese from the Sino-Soviet alliance. This is partly due to our unwillingness to face facts, partly to our innate optimism and belief **that** the future will take care of itself, and **partly** to the fact that we are now protected by the U.S. and are confident that the U.S. **won't** let us down. However, despite our reluctance to face unpleasant facts, Japanese history shows that when the chips are down we can make rapid adaptations and can take the action **which** is in our best interests." He was the only real optimist I talked with in Japan.

The present Yoshida Government is, of course, clearly aligned with the U.S., and there is little doubt, despite the opinions I have quoted, that Japan will remain allied to the U. S. and that a **certain** amount of defensive rearmament will take place. (**It** has already started.) The Government of Japan, and for that matter the Japanese nation, is still so dependent upon the U.S., economically, politically and militarily, that any **significant**

parting of the **ways** is inconceivable in the foreseeable future. But there is no guarantee that Japan will be an enthusiastic supporter of U.S. policies in the Far East or a **"bulwark"** of the free world in **Asia.**" The very dependence which ties Japan to the U.S. may result in less-than-wholehearted support of all American policies on the part of those who desire more Japanese independence. And the tolerance of **many** Japanese toward Communist China, the lack of any widespread sense of imminent threat, and undercurrents of pacifism and neutralism in the **"cold war"** could mean that **Japan's** partnership with the U.S. in any line-up against Communism on the continent of Asia may turn out to be passive rather than active,

Lure of China Trade. The majority of the persons whom I met in **Japan** are in favor of eventual establishment of **diplomatic** relations between Japan and Communist China, but not one - not even the left-wing professor - thinks that this is a practical policy in the near future. The question of trade relations with China is a different matter, however. Most of the persons I met criticized the scope of current restrictions on trade with China, and several advocated attempts now to revive that trade. (~ e - restrictions imposed on the China trade by the present Japanese Government are less complete than those of the U.S., but are more extensive than those of any other country except **Canada.**) Even those who viewed the possibilities of a revival of **the** China trade with pessimism seemed to feel that **"Japan** must expand foreign trade everywhere, in every possible **way."**

It is understandable, if one considers Japan's past trade with China and its present economic position, that many Japanese think about China trade with nostalgia. Like Great Britain, Japan is a country which must trade to live and considers all trade important.

Before World War II, Japan's empire was its main export market and source of raw materials, and continental China was the most important single area for **Japan's** foreign trade. In 1935-37, for **example**, 42.5 per cent of **Japan's** exports and 32.7 of **Japan's** imports **were** with China (including Manchuria and **Formosa**) and Korea. Continental China alone was responsible for about one-fifth of **Japan's** total import-export trade. (**Part** of this trade was due to **"abnormal"** military expenditures and investment in Manchuria, but the **"normal"** China imports and exports were **essential** to Japan's prewar economy. In 1935 Japan obtained **almost** 70 per cent of its imported coal, 30 per cent of its **imported** iron and roughly 40 per cent of its imported salt from China, and China was a large buyer of Japanese textiles and other consumer goods. Japan's **industrial** economy and China's agricultural economy were complementary.

Right after World War II Japan-China trade dropped to almost nothing. Then it rose slowly until the establishment of a Communist **regime** in **China** and trade restrictions **following** the Korean War again reduced it to a negligible figure. Last year

Japan's exports to Communist China were US\$4.5 million and its imports roughly US\$30 million, a small percentage of Japan's total exports and imports which amounted to roughly US\$1.3 billion and US\$2.4 billion respectively. In short, China, which formerly was Japan's most important export market and a source of vital raw materials, has been almost eliminated from Japan's foreign trade.

This severance of continental trade has been one factor contributing to the baffling economic problem of survival which now faces Japan. At present Japan is living on the U.S. taxpayer, and if U.S. support were suddenly withdrawn, Japan would undergo a crisis of major dimensions.

Japan's basic problem can be clearly seen in the overall figures for its international balance of payments during the past year. In rough figures, Japan last year spent U.S.\$2.4 billion for imports and services from abroad, and most of these were essential to Japan's economy. With an expanded population (roughly 85 million) and a smaller area than before the war, Japan must now import one-fifth to one-quarter of its foodgrain needs; food now accounts for almost one-quarter of the value of the country's total imports. With an industrial economy, Japan must import the majority of its industrial raw materials, including roughly 70 per cent of its coking coal, about 80 per cent of its iron ore and salt, almost 90 per cent of its oil, and 100 per cent of its cotton, wool, rubber, phosphates, nickel, bauxite, tin, and so on. Even with extreme austerity, it is doubtful that current imports could be reduced even as much as 10 per cent, if industrial production is maintained at present levels.

On the other side of the picture, Japan's exports last year amounted to roughly US\$1.3 billion - only slightly over one-half of what was needed to pay for her imports. The import-export gap was possible because the U.S., in effect, picked up the bill for the difference, American "special procurement" and military expenditures in Japan provided US\$800 million in foreign exchange, and Japan also used up US\$300 million in foreign exchange reserves accumulated during the Korean War from U.S. aid and spending.

The Japanese realize that this situation is abnormal and may not continue indefinitely. Already U.S. economic support is gradually being cut down, and at last year's rate of depletion Japan's foreign exchange reserves will be exhausted in two to three years.

This is the general economic context in which Japanese survey all foreign trade possibilities. Japan must rapidly expand exports to survive. The problem is an extremely difficult one, however, because for numerous reasons (high labor and material costs, old equipment, inefficient management, artificial government supports which have delayed rationalization of industry, etc.) many of Japan's export commodities are now so high-priced that they cannot compete effectively in foreign markets. During the past year, in fact, some key Japanese exports have actually

declined instead of increased. (For example, steel exports in 1952-53 dropped from 1.6 million tons to .8 million tons).

There is no doubt, even taking an optimistic view, that Japan will have to make some difficult internal adjustments (rationalization of industry to reduce costs may involve considerable temporary **unemployment**, with consequent social and political risks) and will have to search aggressively for markets abroad before it can even begin to solve the economic problem confronting it.

It is not surprising, **therefore** (particularly in view of the apparent lack of active hostility toward, or fear of, **Communist** China), that Japanese view trade with China in a manner quite different from most Americans.

At present there are significant pressures on the Japanese **Government** from business groups in Japan to relax restrictions on China trade. The most vocal of these groups are the Osaka manufacturers of textiles and other light consumer goods, who are having a difficult time finding export markets, who remember their huge prewar markets in China, and who apparently are reluctant to recognize the fundamental changes which have taken place both within China and in the world at large during the past few years.

None of the Japanese whom I personally met agreed with the Osaka **businessmen's** optimism. They all felt that even unrestricted trade with China would not approach prewar dimensions, and several of them discussed the problems and risks of trading with Communist China. But, with only one exception, all of them said that Japan should develop the China trade to whatever extent may prove possible,

Perhaps the most realistic appraisal of the possibilities of trade with China which I heard came from a Japanese newsman who specializes on China problems. "There is a lot of pressure in Japan for trade with China," this man said, "and the most important is from the Osaka textile people who are losing **markets** in Southeast Asia due to high costs and **who**, because they are contributors to **Yoshida's** Liberal Party, have **considerable** political influence. The leaders in Japan's heavy industries **were** once quite optimistic, but **now** they are less so, **mainly** because the Chinese **Communists** are charging such high prices for materials such as coal that Japanese businessmen have turned elsewhere. The Chinese **Communists'** policy seems to be to set their prices on the basis of Japan's domestic prices and the **international** level, rather than on their **own costs**. Also the Chinese are now trying to trade entirely on a barter basis, and they do not have **much** to give which Japan wants. For example, they now need their iron ore for industrial development in China. The prospect for **markets** in China is not good either. The Chinese **Communists** are not interested in buying consumer goods in large quantities (**Osaka** businessmen are completely unrealistic

in their thinking), and this will be increasingly true as textile and **similar** industries develop in China. Even markets for heavy industrial products will **undoubtedly** be limited. Present Chinese Communist policy seems to be to buy large new industrial **installations** exclusively from the Soviet bloc. **Much** of the present industrial machinery in China is Japanese, but the Communists seem to be **'using it up'** **slowly** rather than buying a lot of **replacement** parts. Recent Japanese trade missions to China, for example, discovered textile **manufacturers** in Shanghai **who wanted** new parts from **Japan** but were forbidden by the Government to buy them. Probably the principal **future market** in China for **Japanese goods**, therefore, will be for individual items of **certain industrial** goods which China has difficulty getting elsewhere. These will include machine tools, electrical apparatus, railway rolling stock and vehicles."

This **man** estimated **that** if restrictions were lifted, Japan's exports to China (which would be balanced by barter imports) might rise to about US\$100 million. (**This** compares to American estimates of roughly US\$80 million.) In terms of Japan's overall economic problem this is not a large **figure** and certainly would not **"solve"** Japan's **problem**. But it is a figure which a country desperate for all export markets finds difficult to ignore. The man I have quoted ended his remarks by saying, **"Japan cannot avoid trading with China. Japan must try to trade everywhere."**

Executives of one of the largest steel companies in Japan expressed similar views to me. They said, in effect, **"The China market will not be what it used to be, but we cannot ignore it."** Before the Korean War, China was taking about 25 per cent of **Japan's** exports of steel **products**, and although the percentage of the current level of steel exports which China might buy would be **smaller, even** if China trade **reopened**, it might be of some importance to an industry which now faces a decline in **many** of its markets due to Japanese high costs. **Japan's** steelmakers think that Chins. might buy certain high-grade types of steel, as well as rolling stock and machine tools. But they do not count heavily on any China trade. **"If restrictions were lifted,"** I was told, **"China** might be a big market for Japanese industrial goods **for** one or two years, but then the **market** would probably decline. And contracts with the Chinese Government are **risky**; they can **change** their minds, and we have no **recourse.**" The Japanese steel industry has tried, therefore, to shift almost entirely away from China, **Formerly, it** bought **much** of its coking coal from China's Kailan **mines**, and iron from **Tayeh**. **Now** it finds that it can buy coal from places such as India and the U.S., and iron from the Philippines, Malaya, India, etc., at prices comparable to Chinese prices, if the quality of the coal and iron **is** considered. Markets are being slowly developed in South **America** and Europe. But the Japanese would like to sell steel to the Chinese Communists, nonetheless.

Only one of the men I talked with in Japan expressed opposition to trade with China. **"Japan's problem,"** this man said,

"is to spread and diversify exports and to develop markets all over the world. We can and should get along without depending on China trade. Actually, Japan should be extremely wary of trade with China. The Chinese, who are not dependent upon trade to the extent we are, can manipulate prices and terms in such a way as to exert strong pressures on Japan." However, this view, he admitted, is one shared by more Americans than Japanese.

The question of trade with China to date has not blossomed into a critical political issue in Japan, because it is generally realized that Japan is so dependent economically on the U.S. that it must accept and follow Washington's China trade policy. Even the most ardent Japanese supporters of trade with China realize that Japan would be the loser if it exchanged China trade for U.S. aid. But the China trade issue is one which may become increasingly controversial in Japan, and it is an issue on which there is likely to be more and more criticism of the U.S., on the part of many Japanese conservative businessmen as well as Communists and left-wingers.

Reluctance To Face Facts. There is an atmosphere of unreality about spring in Japan. The cherry blossoms and sake blot out the harsher facts of life.

In the spring of 1954 there is also an aura of unreality about Japan's outlook on the world. U.S. protection and aid seem to have delayed a realistic appraisal on the part of many Japanese of the problems which their nation now faces. Some Japanese seem reluctant to know the truth, and others are unwilling to accept the consequences.

The spread of Communism on the Asian mainland confronts Japan with a Sino-Russian alliance clearly hostile to the existing Japanese political, economic and social system, but few Japanese appear to be conscious of a possible threat. The growth of Chinese Communist military power radically alters the balance of power in the Far East, and Japan now finds itself powerless (except for U.S. support) in a world still dominated by power politics, but many Japanese seem willing to trust the nation's future to faith and hope (or continued U.S. support). Economic cold war between East and West has undercut the prewar basis for large-scale commerce between Japan and China; this plus numerous other economic difficulties present Japan with a critical problem of restoring and reorienting its foreign trade, but the steps required to accomplish this are not easy and the Japanese Government seems to find it less difficult to procrastinate than to face facts and act.

In many respects Japan seems to be suffering from spring fever. But eventually cherry blossoms fade, and sake produces a hangover. And unpleasant facts of life are more difficult to ignore or evade in the heat of summer.

G. Derek Barnett