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UNITED STATES  
DEPARTMENT OF COMMERCE  
BUREAU OF FOREIGN AND DOMESTIC COMMERCE  
WASHINGTON

OFFICE OF COMMERCIAL ATTACHE  
American Legation.

Peking, China, May 31, 1915.

C O N F I D E N T I A L .

Subject: Japan, China and the United States.

Honorable E. E. Pratt, Chief,  
Bureau of Foreign & Domestic Commerce,  
Department of Commerce,  
Washington.

Dear Dr. Pratt:

COMMERCE  
JUL 6 1915

In an interview with Mr. Odagiri, the Managing Director of the Yokohama Specie Bank, Peking, we discussed the relations between Japan, China and the United States as affected by the recent Japanese demands. Mr. Odagiri stated that he does not agree with the Okuma Ministry in its policy of coercing China, nor has he any sympathy with the military spirit in Japan as evidenced by the military party who would dominate China. I explained to Mr. Odagiri that, in my opinion, it is to be regretted that Japan in her negotiations with China had not drawn up a program which would call for constructive reforms on the part of China herself, especially the much needed  
currency

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currency reform. As a banking man, Mr. Odagiri replied, stating that he shared in my regrets and that he had made a special trip to Tokyo in an effort to secure action by the Okuma Ministry in the much needed currency reform in China, a matter which would have been very simple, for China, in her last treaty with Japan, had agreed to undertake such a reform. I asked Mr. Odagiri if he thought that now that the Japanese could lease agricultural lands in Manchuria there would be a substantial number of Japanese emigrating to Manchuria to avail themselves of the opportunities now presented to cultivate the rich farming lands there, thus affording an outlet to Japan's surplus population. Mr. Odagiri stated in most emphatic terms that the Japanese would now turn to Manchuria as a land for colonization on a large scale. In reply to my enquiry as to the cold winters being an effective obstacle to Japanese colonization in Manchuria, Mr. Odagiri stated that the climatic conditions would not greatly interfere with Japanese colonization there. This statement is interesting for the reason that Count Okuma, in an interview with Mr. O. K. Davis, representing the Chicago Tribune, stated that the reason why Japan could not content herself with concessions in Manchuria and must in addition to these concessions press down into China proper was because the Japanese people would never be able effectually to colonize in Manchuria,

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owing to the hardships of the cold winters obtaining there.

Mr. Odagiri appeared to agree with me in that America and Japan should experience no difficulties in their mutual trade relations in the Orient, provided each acts in a spirit of frankness and fairness toward the other. I related to Mr. Odagiri instances of adverse criticism on the part of Americans doing business in China against what they consider unfair treatment on the part of the Japanese toward other foreign trade interests, and suggested that the Japanese people would do well to remove all causes for criticism on this score, by setting forth the facts in all cases where the criticism were without just cause, and by removing the causes in cases where the criticisms are justified. I cited the instance of preferential import duties on rail-borne goods from Japan, through Korea, into Manchuria, as working a hardship on American trade for the reason that any other than Japanese trade could not advantageously avail itself of this reduction of duties. Mr. Odagiri agreed with me in that there has been a tendency on the part of the Japanese Government to issue orders or regulations which discriminated against foreign interests in Manchuria. He cited an instance of the Japanese Government making a request of him when he was in charge of the Yokohama Specie Bank's interests for the Kwantung leased territory to discount Japanese bills

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bills on more favorable terms than those of other nationalities in order to encourage Japanese trade, but, he stated, he had objected to such procedure as unfair and fortunately his objections were sustained. I told Mr. Odagiri that, as Commercial Attaché for China and Japan, I consider it my duty to assist in every possible way toward the development of harmonious and friendly commercial relations between American and Japan and China, and that, in my opinion, with Japan and America acting in a spirit of fairness and frankness each toward the other in their mutual relations in the Orient, there should develop a community of commercial interests which would redound to the credit of each and in turn exert a beneficial influence upon the relations of the two countries on both sides of the Pacific.

Mr. Odagiri stated that he would be glad to introduce me, sometime when we were in Tokyo together, to the leading business men of his country, with the object in view of assisting to further the commercial and friendly relations between the United States and Japan.

I may add that I had, while Vice Consul in Shanghai ten years ago, met and become well acquainted with Mr. Odagiri who was then His Imperial Japanese Majesty's Consul-General to that port.

Very respectfully yours,



Commercial Attaché.

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