

Subject:

MADE IN U.S.A.

Submitted by:

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China's urge to modernization: As ancient China during the past few decades blossomed forth into her youthful reincarnation, she greeted with warm smiles our silent ambassadors, wearing the insignia "Made in U.S.A." and being the products of American inventive genius and enterprising salesmanship. She soon came to recognize this insignia as symbolic of quality, progressiveness and service. Of still greater moment to China in transformation have been our ideas and ideals. They, too, have come to China bearing the insignia "Made in U.S.A.", although invisibly. Americans in China feel that it has been a privilege to serve as advance agents for the products of our fields, factories and halls of learning. They have been helping Young China, throbbing with the urge to modernization, in her realization of a more abundant life. With the year 1937, China was all

set to embark upon an era of tremendous developments in all phases of modernization under the guidance of men and women enjoying the rich

heritage of milleniums of culture and also trained in the lore of the West.

Had she been able to carry on this vast program of modernization, it would

have set the world agog by the oceans of opportunities in international trade and other relations which would have followed in its wake.

The curtain falls: Suspicious lest progressive Young China might grow into vigorous youth-hood and thus become a powerful near neighbor, Japan's military gangsters rushed in on the pretext of saving her from falling into the bad company of other of her neighbors who were courting



her friendship. They deliberately set out to beat her to her knees in order that she might be forced, in her exasperation and helplessness, to plead for mercy. And then while still in a dazed condition they hoped to persuade her to repudiate her former benefactors and to accept instead the proffered hand of those who would protect her, provided of course, she would henceforth obey their commands.

While pretending to the outside world that they will respect the territorial integrity of China and the rights of the Chinese people to self-government, these Japanese military gangsters are setting up in the areas which they have occupied, puppet rulers of their own choosing. These are drawn mainly from the ranks of disgruntled politicians, self-seeking adventurers and avaricious racketeers. While the Japanese military overlords retain with an iron hand full controlling authority, they very adroitly vest the Chinese puppet rulers with responsibility. The plan envisages the final reduction of China to the status of a vassal state. It is thoroughly in keeping with the formula already applied by the Japanese in Manchuria and is, in reality, Japan's "New Order in East Asia".

When the Japanese marched their armies into Manchuria back in 1931, they declared it was for the purpose of giving to the thirty millions of the presumed long suffering inhabitants of that section of China, self-determination and self-government. The populace of Manchuria have today no more self-government than have the peoples of Korea or Formosa where they have been reduced to a condition of serfdom under their Japanese feudal overlords. Similarly, the trading nations of the world were assured when Japan marched into Manchuria that the Open Door of equality of trade opportunity would be respected. Japan's occupation has taken the



"Made in U.S.A." labels off the shelves of the retail establishments and out of the school houses in the larger trading centers of Manchuria where they were found in abundance prior to the Japanese invasion, and transferred them to commodities imported into Manchuria expressly for war materials and for the building up of Japan's war industries. In other words, the "Made in U.S.A." products are being used in Manchuria by Japan to fortify herself against any who may dispute her unrestricted claims to this rich territory, greater in area than Germany and France combined. As goes Manchuria, so will go the rest of China, if the militarists of Japan have their way.

Japan's urge to military domination: Many have wondered how it has been possible for diminutive Japan effectively to attack giant China. During the past half century or more, Japan in her emergence from a feudalistic society has been devoting her major resources and talents to the building up of a modern military state. She has become obsessed with the ambition to dominate and shape the destinies of the Asiatic Continent and the entire Pacific regions, and in fact, eventually the entire world. The inherent loyalty to the overlord, a concomitant of their feudal mentality, prompted her sons to journey to the four corners of the earth and when necessary stoically accept hardships or humiliations in their determined efforts to add their might to the building up of their country's economic and military prowess, in keeping with their implicit belief in Japan's manifest destiny.

With her rapidly expanding merchant marine backed by her navy, Japan has been able to flood the bazaars of the trading nations with the products of her factories, manned by the cheapest labor in the modern industrial world. America has been her best customer. With the credits thus established, Japan has been able to draw upon the needed sources of supply for



the raw materials and other commodities essential to the furtherance of her grand ambitions. During these past five years, the vast bulk of her purchases from America have consisted of war materials. In fact, if one were to follow the Japanese armies in China since the outbreak of hostilities two and a half years ago, he might, were he to judge by the nature of the mechanized equipment, imagine himself following American armies, so conspicuous are the "Made in U.S.A." labels. Thus America has not only been of outstanding assistance in furnishing Japan with the cash with which to develop her military prowess, but is also giving to her the bulk of the materials with which she is carrying on her invasion of China.

Silver bullets needed: American trade emissaries are not required for the sales of our war materials to Japan. She eagerly comes to our shores, loads the cargo on her own ships and takes it at our prices. It is not surprising that some of our trade organizations have boasted of our wonderful commerce with Japan. In fact, some of our merchants advocate that we pursue a conciliatory Japanese policy so that they may continue to enjoy a lucrative business even if only for today, leaving the morrow to take care of itself. As the Japanese military forces penetrated further into the interior of China, it was anticipated that they would be able to feed off the country sufficiently to pay their way. It was also expected that through the wholesale expropriation of China's railways, highways, waterways and airways and her mines, industrial plants and other operating assets, along with the impressing into service of such of the man-power of the nation as needed, China would not only furnish the materials needed for the maintenance of Japan's war industries but would provide capital assets as well.



In order to glean from the newly conquered areas all that they might yield, the Japanese military overlords have set up competition-tight monopolies, embracing most of the avenues of wealth producing assets. As though to prevent any of the crumbs which may fall from the masters' tables from being picked up by other than Japanese, hundreds of thousands of Japanese carpetbaggers have moved into the Japanese occupied areas. In Peking alone, there are now upwards of sixty thousand of them compared with less than one thousand five years ago. Thus thousands of Japanese shops, including hundreds serving as dispensaries for narcotics, have sprung up in the Japanese garrison towns and cities.

These are rapidly pushing off the shelves of the Chinese stores the "Made in U.S.A." commodities, because the Japanese goods receive preferential Customs, transportation, marketing and banking facilities from the Japanese agencies in control. Furthermore, the Chinese in the occupied areas who are forced to accept the Japanese military notes, which are irredeemable and inconvertible, in exchange for their products or services, find that one way to realize upon them is to exchange them for Japanese goods. By this method, the sales of Japanese wares are greatly stimulated.

But even with all these advantages and assets, the Japanese armies in China will probably not be able to consolidate their gains and formulate their development programs sufficiently rapidly to insure the permanency of their occupation. In this connection, America holds the key position. She can, by giving to the Japanese extended credits and possibly other financial accommodations, insure the success of the Japanese in their plans for the domination of China.



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In the Japanese occupied areas, products which possess export value are being gathered mainly through the Japanese monopolies and readily sold abroad, principally in America, to furnish credits for the purchase of materials unobtainable in Japan. America is China's best customer as she has also been Japan's. The Japanese buying organizations in China, operating with Japanese military notes backed only by Japanese bayonets, purchase much of the exportable produce from the Chinese farmers and shops. They either ship it to Japan to replace goods which would otherwise have to be imported from other countries, as for instance cotton and tobacco, or send it on to other countries to secure the needed foreign exchange. For the products still handled through third power intermediaries, the latter are obliged to negotiate their export bills through link transactions with Japanese banks for corresponding amounts of imports, in order to prevent a flight of capital from these Japanese occupied areas.

Prior to the outbreak of the European war, Japan, through a very sweeping barter agreement with Germany, was exchanging Manchurian soy beans for German machinery and war materials. However, this arrangement crashed early in September, which further accentuates the necessity of securing financial aid in the form of credits from the United States.

Digging our own graves as a Pacific power: Some of our people who are prone to be influenced by outward or superficial evidences of economic developments, and also those who may be receptive to the highly colored picture painted by Japanese propagandists, might easily wax enthusiastic over Japan's proposed gigantic reconstruction programs as outlined for her "New Order in East Asia". They are likely to be doubly reassured when they are given tangible proof of the realization of some of these projects.



For instance, should they learn of big fleets of Japanese vessels plying the inland waters of China laden to their water lines with cargo; of long trains of railway cars operating over Japanese monopolized railways and carrying the products of Japanese engineered coal and iron mines and the products of Japanese controlled industrial plants; of caravans of motor trucks honking their horns over highways which they are told came into existence because of the enterprise and skill of Japanese transportation experts; of hundreds of big Japanese factories belching forth huge volumes of smoke and of scores of modern business buildings at strategic trading ports housing the princely Japanese commercial and banking establishments, they would probably need no further evidence to convince them that with these material signs of Japanese economic improvements, China should consider herself fortunate in the friendly interest shown in her country by her magnanimously big visioned neighbor, even though many of the new possessions of the Japanese benefactors were expropriated from their former Chinese owners.

But let us look to the foundations of these magnificent structures. Firstly, as stated above, many of them are build upon or around properties expropriated from their former Chinese owners, especially from the Chinese Government, as for instance railways and a vast system of other communications. Secondly, they are part of Japan's scheme to exploit China's rich economic resources for her own purposes. Thirdly, they involve the building up of competition-tight monopolies whereby Japanese capital, enterprises and trade will receive such preferential consideration as to shut out any except those who pay tribute to the Japanese overlords upon the terms specified by them.



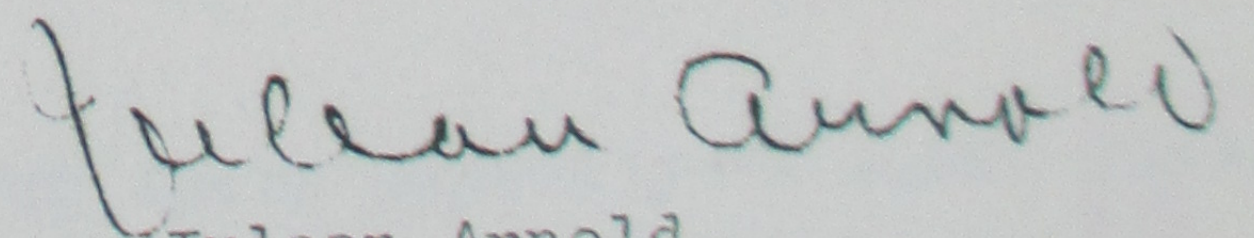
They mean the elimination of the "Made in U.S.A." insignia, visible and invisible, from everything in China which does not fit in directly with Japan's plans for economic exploitation and military aggrandizement. They mean the purging of all who would combat the Japanization of their country. They mean the regimentation of the largest treasure house of cheap and industrious man-power in the world, so that Japan may, for instance, be able by her domination of this man-power and the fertile fields of China, produce the American types of cotton and leaf tobacco needed for her ever-expanding cotton textile and cigarette industries at costs less than one-half of those possible in our southern states, and also to produce iron and steel fabricated commodities at a mere fraction of the costs in a country where living standars are so very much higher ~~that~~<sup>+</sup> competition would be impossible.

Thus it would mean that through Japan's control of the economic resources and the man-power of China under her system of feudal overlordship whereby millions of Chinese men, women and children would be beaten down to mere subsistence wages, working on ten and twelve hour a day schedules for seven days a week, she would literally flood the markets of the world with "Made in Japan" and "Made in China" products. How long then could our standards of living and our ideals of democratic government stand up under this sort of economic machine gun fire? A Japanized China would be forced into reverse gear on the vast modernization program upon which the country had embarked prior to the outbreak of hostilities. Under Chinese auspices, this modernization program gave promise of being so developed that economic levels of China's great masses would rise as it



progressed in such a manner as to warrant the dispelling by the Occident of the age-old specter of a Yellow Peril which for decades loomed large on its economic horizon. Under a Japanese military and economic overlordship, we should have to revive, with all its evil portents, the specter of a Yellow Peril bearing the label "Made in Japan".

Much alluring bait is being offered by the Japanese to our manufacturers, exporters and bankers by way of big prospective orders for the supply of equipment and materials for the reconstruction of the devastated areas, as well as for new development projects and to aid in the consolidation of Japan's monopolistic control of the economic resources of China. In other words, we are being invited to accept a sleeping partnership in Japan's exploitation of China. But we shall have to furnish the credits and other capital advances if we would expect to secure orders for the needed machinery and other equipment. Are we now going to supply the materials and credits to aid Japan in building up on the Asiatic Continent a grandiose military machine in preparation for her military and economic domination of the entire Pacific regions? By so doing we shall certainly be digging our graves as a Pacific power with shovels bearing the labels "Made in U.S.A.".

  
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