

## JAPAN AND AMERICAN CAPITAL 291

does not discriminate between any contracts or usages. To-day the best policy is to induce America to invest capital in China by bringing her into the international group. The Americans are now enthusiastic about investing capital in China. No matter under what name, such investment will be a political loan. The present is the most opportune time to take proper steps toward co-operation with the American Government and financiers."

Another Japanese view can be gathered from the following leader in the Tokyo *Yomiuri*:

"The quintuple group are justified in protesting against loans made by America to China. The Chinese Government is to be blamed for contracting loans outside of the group. But that it was compelled to seek loans outside the group was not the fault of the Chinese Government alone. Negotiations have been carried on several times between the Chinese Government and the quintuple group for a big loan, but these negotiations failed. There is not much possibility that the big loan will be pulled through at present. At such time, it does not require great intelligence to know that the Chinese Government will seek loans elsewhere. The Japanese are accustomed to say that Japan is the lord of the Orient, and that to guide and lead China is the duty of Japan. At the present time, when China cannot secure capital from Europe, Japanese capitalists should take the lead in assisting China. Japan, unlike America, is a member of the quintuple group. She is in a most convenient position to stand between the Chinese Government and the quintuple group. If the Chinese Government seeks relief elsewhere it reflects the negligence of the Japanese."

Along this line I noted the remarks made to a gathering of Tokyo newspaper men by Mr. Obata, on the occasion of his retirement from the councillorship of the Japanese Legation at Peking. He spoke of how differently the Chinese looked upon two proposed industrial loans to China, one of 5,000,000 yen (£500,000) by a Japanese company, and one of something like \$100,000,000 (£20,000,000) by American capitalists. The Japanese loan was the one which planned to acquire Chinese mining rights as security. The larger loan referred to was the American project which embraced the Siems-Carey railway scheme.