

# Economic Causes of War.

## Article No. 8.

JAPAN, it is commonly stated, was allied to Britain because of Britain's friendliness during the intervention of Russia, France and Germany, when Japan was annexing Chinese territory after the Jap-Chinese War. Japan however, entered the war for purely commercial and imperialistic reasons. She was determined to obtain the German colony in China. She violated the independence and integrity of China by her troops passing through China to attack the Germans in Kiao-Chou; this was before China entered the war. We also witnessed Japan make the famous twenty-one demands on China while the European Powers were busy killing one another in France. In general these demands were that no part of the China coast and no island off the coast be ceded or leased to any foreign power. The following are some of the demands made:—

**Eastern Mongolia.**—Japan shall have exclusive mining rights. No railways shall be constructed without the consent of Japan. The Japanese shall be granted the right to settle, trade, farm, and purchase land.

**Southern Manchuria.**—The lease of Port Arthur and leased territory, shall be extended to 99 years. The Antung Mukden and Kirin Changchun Railway agreements be extended 99 years. Japanese shall be granted the right to trade, settle, and purchase land.

**Shantung.**—China shall transfer to Japan all mining and railway privileges hitherto enjoyed by the Germans, and shall agree to the construction of the railway from Chefoo or Lungkow to Weihsieu as Japanese.

**Yangtze Valley.**—Japan shall jointly control with China the Hanyan Iron Works (this is the biggest industrial business in China) in which Japan has a large financial interest, the Tayeh Iron Mines, and the Chingsiang Collieries, and China shall not undertake to grant to other nations mining rights calculated to impair these undertakings.

China to consult Japan first if China decides to employ advisers, military, political, or for financial purposes.

I have given sufficient information of the Japanese demands to show the trail of imperialism and capitalism. What did Britain, the great upholder of integrity and independence, say regarding the Japanese demands on China? The London "Times" frankly declared: "In view of our relations with Japan, it would be ungracious for Britain to put obstacles in the way of Japan's reasonable enough ambitions." Let me remind my readers that the preamble of the treaty between Japan and Britain of 1905 states that the object is the preservation of the common interest of all powers in China, by ensuring the independence and integrity of the Chinese Empire, and the principle of equal opportunities for the commerce and industries of all nations in China. The question of Japan's demands was brought up in the British House of Commons. Sir Edward Grey was asked if negotiations were going on between Japan and China for the obtaining of exclusive rights in mines, railways, etc. The reply was that such negotiations were going on but that particulars could not be given the House. The question was opened up later during the third reading of the Consolidated Fund Bill. In his reply for the Government, Mr. Primrose gave an assurance that British commercial interests would not be neglected. He declined to give details of the Japanese demands and made the following statement: "His Majesty's government have no objection to the expansion of Japanese interests in China, provided that the expansion in no way inflicts injury upon British interests." We did not hear any protest from the press, platform, or pulpit about this "Scrap of Paper." I mean the treaty between Japan and Britain in 1905 to uphold the independence and integrity of China. In a leading article on the Japanese demands the Paris "Temps" says: "These are not in conflict with the French interests, and M. Sazonoff, the Russian

Foreign Minister, does not consider them contrary to Russian interests. They may perhaps clash with the British interests at certain points, but Great Britain is allied to Japan and co-operated with her in the taking of Kiao-Chau, and there exist between London and Tokio too many points of contact, and links of friendship and of interests, for a basis of agreement not to be found. Moreover, the Japanese government will have need of both the London and Paris markets in order to profit by the advantages which it will obtain. Bases of agreement will, therefore, not be lacking. The principle of the integrity of China is not at stake. **It is only a matter of economic competition.**" The closing sentences are beautiful. Why did the Germans not think of it to explain the invasion of Belgium?

M. Sazonoff stated in the Russian Duma that the demands of Japan addressed to China contained nothing contrary to Russian interests. The silence of the United States and its press on this situation which arose between Japan and China, was a result of the J. P. Morgan Company about this time acquiring the position of acting as general fiscal agents for the Allies. The American press became more anti-German on receipt of this news and the placing of a loan in New York of one hundred million dollars.

Although Japan entered the war in 1914, it was not until March, 1917, that a secret agreement was contracted, by which the British, French, Russian and Italian Governments consented to allow Japan to have the German rights in Shantung. This was obtained by Japan pressing her allies in the darkest hour of the war, and by virtually threatening to treat with Germany. When China entered the war it was naturally thought that the German property in China would be returned to China. The German Shantung Treaty specified that Germany could not lease any of this territory to any other power, and the German lease was for 99 years. We witnessed the findings of great intellectuals of the Allies at the peace conference, transferring all German rights at Kia-Chou and in the Shantung Province without reserve to Japan. Both houses of the Chinese Parliament passed a resolution, protesting through the foreign office to the delegates of the Great Powers at Paris, against this transfer, and that the province and other interests be returned to China. This was ignored at Paris, and China refused to sign the Peace Treaty.

China is now in the financial grip of England, America, France and Japan, who have inaugurated an international consortium to finance China. The Tokio "Nichi-Nichi" is quoted in the "Literary Digest" as saying: "This plan, ostensibly in the interest of the open door, is in reality to close China's doors for the benefit of England, America, France and Japan, who are the only nations to be admitted to the consortium, for an indefinite period of time . . . The plan is essentially American. From the American standpoint it is a great diplomatic stroke. Its purpose is to break up the spheres of influence and thus to enable America to promote her interests where she has hitherto been unable to enter." Another Japanese paper says: "Not to put too fine a point upon it, one of the objects of the consortium is to prevent Japan from swallowing up China altogether."

In the Canadian press, May 7th, 1920, the public were informed from Washington that Japan had withdrawn all objections to the Chinese consortium, and the despatch continues: "the state department was informed to-day by the American Embassy at Tokio. The consortium will become effective as soon as the signatures of the officials have been affixed. The acceptance of the consortium by the Japanese provides for financing of China by representative groups of bankers in each of the four great countries. Japan has contended that Manchuria and Mongolia should be excluded from the operation of the consortium, claiming that it had predominant

right in that territory because of proximity. The terms of the consortium are general and each negotiation will be taken up separately. Japan will have the right to object to loans for any work she feels will jeopardize her national life or vitally affect her sovereignty. Under this head it is said, may be included the construction of railroads in certain parts of China, particularly Manchuria. Under the terms of the consortium all loans made by banking groups, which in the United States includes 37 banks in all sections of the country, must be approved by the State department. The bankers will submit terms and contracts and all documents bearing on it, and if these are approved the loans may then be made with the official sanction of the government behind it. The same procedure will be followed in all countries."

The council of three, Clemenceau, Lloyd George and Wilson agreed, as reported in the press, that Japan was to be the mandatory of the German Islands North of the equator. Japan based her claim upon three grounds:

1st—"On the right of possession, as they captured these islands from Germany early in the war, and have held them ever since."

2nd—"That they were awarded Japan under a secret Anglo-Japanese Treaty of 1916, by which it was agreed that Japan should retain the former German colonies in the Pacific north of the equator, and Britain or her dependencies, those south of the equator."

3rd—"That the islands are of no strategic value to any other power than Germany, while of great value to Japan as a small useful source of raw material."

The "Literary Digest," of March 8th, 1919, says: Japan has no tropical possession yielding copra, and the islands are rich in this product which Japan needs. Moreover, the Marshall Islands have valuable potash deposits, and as Japan's soil is naturally poor, she requires large quantities of potash for use as fertilizer, especially in growing rice, the staple food of her people. Hitherto Japan, as was the case with the United States, had been at the mercy of the German potash trust, we read, which controlled practically the whole world's output of this commodity, with the aid of their Stassfurt and Alsatian potash deposits. The advantage of Japan having at its command more easily accessible potash deposits of the Marshall Islands is obvious."

The scramble for China is also because of her vast mineral resources, with coal and iron so near the surface making daylight mining possible. Then there is a docile proletariat who work 12 and 14 hours a day in the textile and other industries for a few cents a day. In the city of Shanghai are 18 cotton mills, the largest controlled by Jardine-Matheson Company, the largest British firm in China in 1913. One child between 8 and 9 years employed to every ten adults, and 88 hours a week. No laws or restrictions in the foreign settlements, which are controlled by the great banks where these good capitalists deposit their money. The International Spinning Company, in which American capital is prominently invested squeeze 57½ per cent profit on invested capital. The American Shoe Manufacturing Company, controlling through its patents 96 per cent American business and 98 per cent of the British, has a modern factory in China which turned out in 1913, shoes at the factory door at One Dollar per pair. The British American Tobacco Trust has also a firm hold in China. In the Province of Shansi there is enough coal of the best grade to keep the world supplied at the rate of the 1913 consumption for a thousand years. At Tayeh in the Province of Hupeh, it is estimated that there are over 500,000,000 tons of iron ore exposed above the surface of the ground only waiting to be blasted. The oil fields of

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