JAPAN'S EMPIRE BUILDERS TODAY

OVER the occupied zones of China, as well as over all of Manchukuo, Japanese tradesmen swarm in the wake of Japanese bayonets, like a cloud of brown locusts, settling upon and devouring every green leaf of commerce. The scene is a picture of co-operation.

This co-operation between Japanese militarists, capitalists, big business, tradesmen, Foreign Office, is a new thing. It has been finally achieved and solidified under the dictatorship of Premier Konoye. It has given purpose, lent infinitely more force, to Japanese imperialism; made this a much more potent and dangerous thing for the United States and other foreign powers to cross. Actually, it stems from the finger-burning lesson that the Japanese militarists got in Manchukuo.

For the Kwantung army, back in 1931 and 1932, soon found that it had laid a sterile egg. New railroads did not spring up according to dream; nor did bus lines or highways. Exports and imports and currencies got into a dreadful muddle. Materials and labor somehow did not meet. Army engineers would string communication lines; but the juice would not materialize. Deficits and confusions mounted; officers, young and old, rattled their sabers aimlessly. The Manchukuoan egg, they reluctantly decided, would have to be fertilized by a union with business and industrial experience if it was ever to become an eagle.

One group at home the Japanese officers hate and despise as much as they do foreigners. It is their capitalists; the four huge family groups, or combines, among whom being the Mitsuis and Mitsubishes, which have long dominated Japanese business.

The Japanese army's pride would not let it approach the Mitsuis and their kind for help to industrialize Manchukuo. Fortunately for them, in Japan there was a lone and independent business genius. One whose great enterprises were shared in by the common people, the small investor, which made him closer to the peasant hearts of the militarists. One who was hated and feared

and opposed by the Big Four, as much as the latter were held in contempt by the army. He was Hoshisuke Aikawa; the American-trained miracle worker of the "Nissan," a combine of more than 100 various concerns, with a capitalization of nearly a billion yen, and more than 100,000 stockholders. Moreover, the Kwantung officers knew that in the devious ways of Japanese family relationship and interests Aikawa was concerned in the financing of the Japanese army's February, 1936 rebellion; something directed, principally, against the "impure and weak" influence of the capitalists upon Japanese foreign policies.

Aikawa-san was thereupon "invited" by the Kwantung army to come over and take charge of the industrialization of Manchukuo. In short, he was commandeered.

Aikawa is fifty-seven years old. He is the son of a humble retainer of a clan lord of the old Shogunate days; another factor to give him favor in army eyes. He earned a degree in the Engineering College of the Tokyo Imperial University; and immediately struck off at a tangent from the average Japanese lad. There is little fondness in Japan for the notion of "starting at the bottom of the ladder and working up." Graduates scramble for clean-hand jobs. Aikawa put on dungarees and marched into an iron foundry with the lowliest workers.

It's pure Alger from there on. You know that, though his back ached from daily labor, he sat up most of the night studying, and on days off took a bus-man's holiday in other factories. Two years of this, and he went to the United States.

In 1905 he worked as a day laborer in the Gould Coupler Company, near Buffalo, New York; five dollars per week. Struggling with the heavy casting bucket was tough for a small Japanese. Once he upset a molten pailful on his foot, and was terribly burned. He stuck along with his burly fellows; won their respect and equal ranking. Then he went to the Erie Malleable Iron Company, at Erie, Pennsylvania, for more of the same.

He went back to Japan, a seasoned, practical iron man, and founded the Tobato Cast Iron Company. It prospered. He took over the management of a large shaky coal-mining company. It prospered. He reached out for more interests—locomotives, cars, shipbuilding, the Victor and Co-

lumbia phonograph manufactories in Japan.

It was in 1936 that Aikawa-san was made adviser to the Kwantung army. First, he looked the ground over. Then he told the officers:

"The piecemeal manner of acquiring desirable men from Japan is wrong. The immense natural resources of Manchukuo call for a determined attack, made with strategy and on an ambitious scale. A mass-production system, operated on a well-organized plan similar to military drill methods, is most suitable because labor with a low standard efficiency can then be utilized. The Ford system of supplying materials and parts should be considered . . . There is a striking similarity in many respects between Manchukuo and America, especially such sections of America as Minnesota and Illinois. Both regions are rich in natural resources such as mining and agricultural possibilities, which in America have made possible the development of industrial metropolises like Detroit and Chicago. The admirable development that has taken place around the Great Lakes encourages me to believe that a similar development in Manchukuo would be comparatively much easier."

It was, perceived Aikawa-san, a golden opportunity. Whereupon the necessary instructions were given, by the pleased and relieved Kwantung army officers, to their Manchukuoan creatures; laws were quickly passed and the Nissan company of Japan became the "Manchuria Industrial Development Corporation" of Hsinking; an official industrial monopoly, owned fifty-fifty by the puppet Manchukuo government and the one hundred thousand Japanese small investors of Nissan.

Many of Aikawa's views of Manchukuo had been set out previously for his easy digestion, and a good deal of the hardest pioneering in Manchukuo's heavy industries had already been done—certainly the groundwork finished—by his friend and co-giant, Yosuke Matsuoka.

Matsuoka was out of the Foreign Office career service, a breed which the army ordinarily had little stomach for; but he sank roots into the Kwantung clique's affections right from the beginning of the Manchukuoan affair in 1932 when in Geneva he told the League of Nations to go jump

in the Swiss lakes, and led the Japanese delegation from the assembly hall—and from the League. Moreover, they had a grudging respect for Matsuoka, who is considered—by Japanese and foreigners alike—the most outspoken man in Japan. He never pussyfooted with the War Ministry crowd. He praised whichever of their schemes he liked; and ripped into those he didn't. Also, the Kwantung officers knew him to possess almost fanatical belief in the possibilities of Manchukuo and to be one of the shrewdest proponents of the plan to send Japanese colonists there in hundreds of thousands. Lastly, he can talk as good as fight with Russia as that old firebrand, General Araki.

Matsuoka and Aikawa, in many respects, have run on parallel tracks; differing only in the choice of professions. They are the same age, and they come from the same prefecture—Yamaguchi, in the southwest. Matsuoka, too, came from rather humble parents, with good connections. He went to the United States as a youngster, and earned his schooling by working as a houseboy.

He was number one in his class from Oregon University Law School in 1902. By right of tradition and custom, this rank automatically wins for a graduate the honor of being class valedictorian. The anti-Japanese sentiment of the Northwest rose in his jealous and less brilliant mates. They voted, in secret ballot, that the second ranking student, a white American, get the honor. Whenever Americans get to boasting in his presence about our national spirit of fair play and sportsmanship, Matsuoka likes to bring this matter up.

He entered the diplomatic service when he returned to Japan, and one of his early assignments was as Consul General at Mukden, where he saw and assayed Manchuria at first hand, and fell in love with it. He was a delegate to the Versailles Conference in 1919. In 1921 he was made director of the South Manchuria Railway, and since then with boundless energy he has carried on concurrently business, political and diplomatic careers, and found time besides not only to visit but also to maintain a studious, active interest in his "second homeland"—the United States.

Aikawa and Matsuoka, thus, are the two Americanized Japanese who have saved the Kwantung army's face in Manchukuo.

Perhaps the most American thing about Matsuoka-san is his un-Japanese frankness. Because the military value of the strategic cobweb of tracks he has spun over Manchukuo and Korea is apparent even to the least initiated, you ask him:

"Do you expect war with the Soviet Union?"

Matsuoka grins: "When a sword is hanging over your head, it wouldn't be smart to wait until it falls!" And there you have the answer to the bitter, desperate pace at which Japan is consolidating Manchukuo. In weeks of wandering around Manchukuo I did not hear a single responsible person—army officer, industrialist, educator, government official—mention China. That adventure is incidental; a necessary flank defense precaution. But right here is where destiny waits.—*W. B. Courtney, condensed from Collier's.*

* * *

THE PRESIDENT'S PROBLEM CHILD

WHEN Elliott Roosevelt, son of President Roosevelt, began to feel his oats, which was about as soon as he began to shape up as the husky, hard-eyed, blondish six-footer he now is, he was a superbeau for the young ladies available in a reasonable radius. He was a power-diver, a lusty singer of *Sweet Rosie O'Grady* in the wrong pews, and he could pull chairs from beneath unsuspecting guests.

He differs from his paternal progenitor on political and economic grounds. There are times when Elliott registers at the Willard Hotel when in Washington on business. But there are other times when he lives at the White House, does his telephoning from that august address, and has his business acquaintances call on him there. The choice between hotel and home is not casual.

The American Society of Broadcasters met at Washington on one occasion. Elliott not only wanted to be made a director, but he was boosting a friend for the place of czar. President and Mrs. Roosevelt were not in the city at the time, and Elliott arranged for a state dinner at the White House at which fifty broadcasters were to be his guests. Perhaps not the gold plate, but certainly all the best linen and china, an act or two, and maybe a little Scotch. Elliott likes Scotch. Some of his best friends steered him away from that plan. They pointed out that there were 450 other broadcasters who could not be invited for reasons of space, and would therefore be sore, and that an untrammeled press would rip his innards out if he tried such a trick. Elliott gave up the idea reluctantly. He was not precisely convinced, but he was out-shouted.—*Herbert Corey, from The American Mercury.*