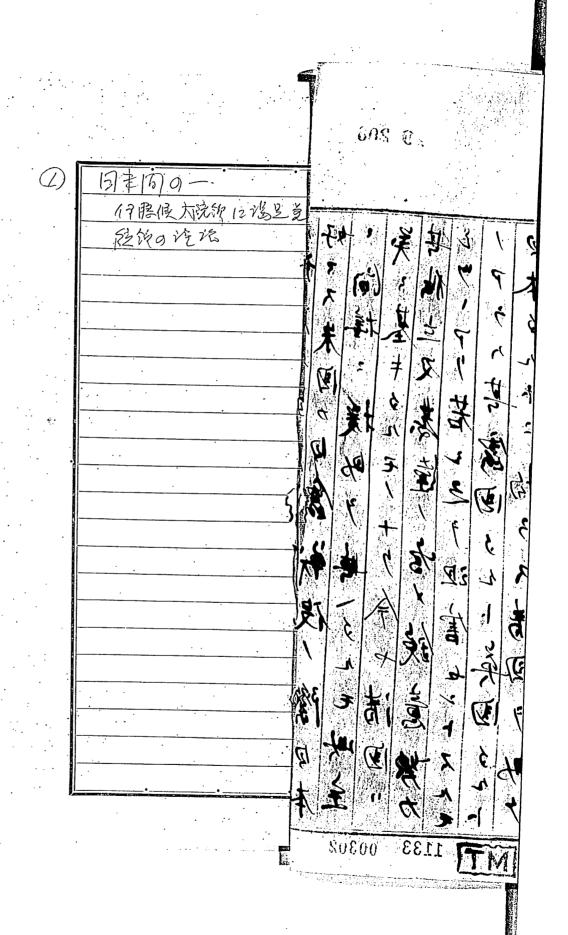
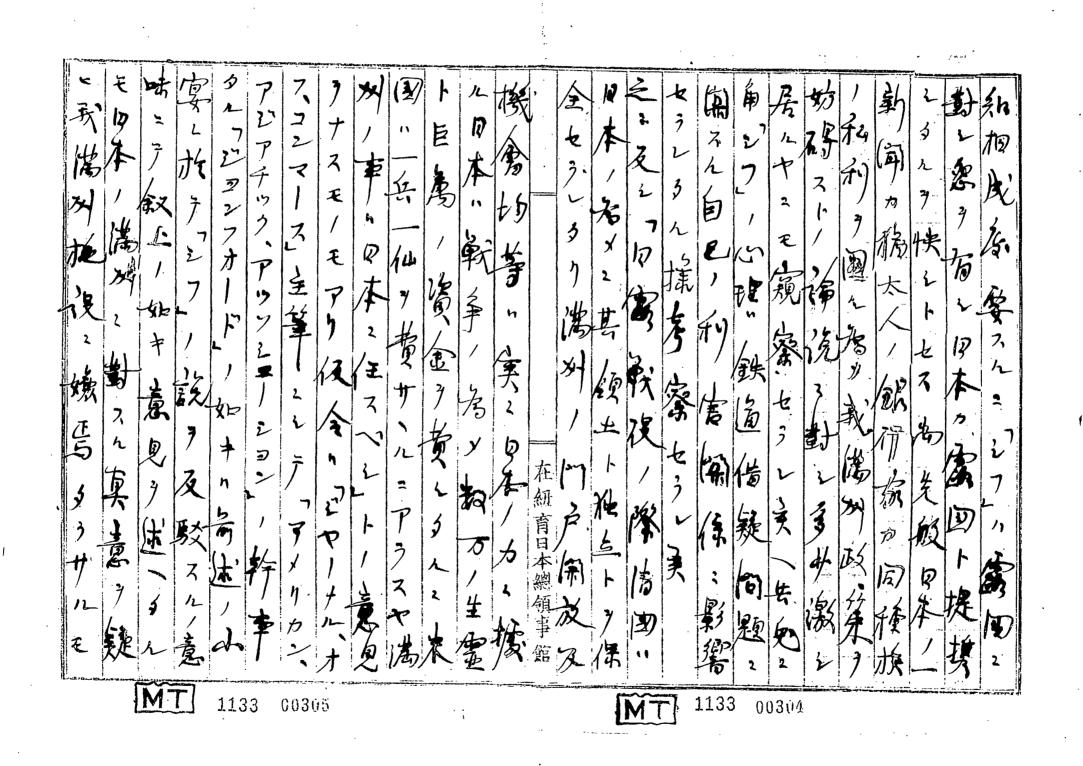


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Alged. Edward F. Cragin presided. Judge Sutberger said that race prejudice began with the individual who was against all men, then centred about the families, and gubsequently it became it was a primary instituct which must be overcome by carrying it in ologically to a word prejudice.  He spoke also from the power it will redeem itself or hostile prejudice against them the comonie support, he said, "there you have encomine power," he said, "there you have encomine power, he said the proposed form the hostile prejudice against them the comonie support," he said, "there you have encomine power," he said, "there you have of the world which had been followed by the prophetic where the economic supports of different clubs was any decay that the general and college cosmolated with they were to create a broad that the general and college cosmolated in the he individual who was against all men, then individual was against all men, then individual was against all men, the individual was ag
--

yellow men. And we have expected them to accept this and bow to us accordingly. This they are not going to do. They have prejudices of their own—those born of their ancient civilization. A conflict with them is inevitable."

#### Mr. Schiff Adds Statement.

Mr. Schiff Adds Statement.

Mr. Schiff was seen yesterday at his home, No. 965 Fifth avenue, and was reluctant to discuss the matter further at the present time. The only statemen he would consent to make for publication was reduced to writing by himself, and is as follows:

"Man. Schiff's remarks have been based solery upon his as follows: solery upon the way observations and neone study of the situation, and not neone study of the situation, and neone study of the situation. He has shown of a coming struggle, him not war, and has simply desired in grouse the people of the Dulted States of the necessity of properly meeting the situation in a spirit of righteous.

the situation in a spirit of righteousmess.

"Because of this he ended his remarks
with the words of the prophet: "Not by
right and not by power, hut in my
spirit, sait the Lord."".

This statement was written in pencil
on the margin of the note that had been
sent to Mr. Schiff, asking for an interview, and it was delivered to the reporter by the banker in person.

Much weight is given the views expressed by Mr. Schiff on account of his
reputation for conservatism in all things
which affect the welfare of the public.
He is as well known abroad as in the
United States, and according to cable information received by The American his
present opinions on the situation in the
Orient have created a sensation throughout Europe.

Views Have Chanced.

#### Views Have Changed.

Views Have Changed.

To show how completely his views have changed in two years, extracts from his speech at the Sakatani banquet are reprinted. Mr. Schiff at that time said:

"Even though we build great fleets and send them round the world; even though we maintain a large navy—and it is right that we should do so to preserve the peace of our own hemisphere—those battleships will be soid as old junk before the peace between the United States and Japan is broken. Our only struggles will be peaceful struggles for the commerce of the world. Although we have no open door policy here, so long as you maintain an open door policy there will be no disturbance of the peace between us."

When Otto H. Kahn, a member of Kuhn, Loeb & Co., was asked for details of the Information upon which Mr. Schiff had based his statements, he said:

"There are no advices to the firin from the Far East which I could give. You should go to Mr. Schiff."

"He would know whatever information the firm could let us have?" was asked.

Mr. Kahn nodded.

asked.

Mr. Kahn nodded.

"Is there any other member of the firm or any other source of Information to which I could go?" the reporter persisted.

"No; see Mr. Schiff," said Mr. Kahn.

#### Administration Divided as to Necessity for War.

Washington, March 6 .- Discussion with Government officials of Jacob H. Schiff's declaration that the United States is "in danger of war" over Japan's attitude on the Far East question brought out to-day these facts:

Japan has made the island of Formosa a military base from which descent upon the Philippines could be quickly made.

Soldiers dately home from Philippine service tell of a Filipino junta, instigated by Japan and operating in Tokio, Yokohama and Hong Kong, actively fostering could the Philippines.

Graphama in the Philippines.

Graphama is support" to the British American syndicate in Manchurish American syndicate in Manchurish as now aligned with Russia and Japan.

Could Take Philippines.

S now aligned with Russia and Japan. Could Take Philippines.

Japan could take the Philippines.

Military men after have remarked that she could take them "overnight," by an army land from Formosa at somo point away from Manila.

It would guite, according to the highest naval guite, according to the highest naval and states, as 15,000 to 20,-100 troops in all the Philippines.

The United States has 15,000 to 20,-100 troops in all the Philippines.

This is the situation. It can be asserted on the suggestion of high officers that the Philippines, and also Hawaii, once taken, could not possibly bo regained until after the American floet of battleships had been again transferred to the Pacific.

Of causes of alarm most seriously estimated that of the fast approaching exclusion of the United States from Manchuria. In other words, the slamming shut of the once guaranteed "open door."

If one thing has been proved to the State, it is that Russia has appropriated the northern half, and Japan the southern half, and Japan the southern half, what the State Department also has become convinced of is that in the Manchurian complications the United States from Housing the Nilson of Charge d'Affaires in Japan), or Henry M. Hoyt, or President Taff do not know how to interpret "assurances from Great Britain," a seem 40 the Jay, mind Lagon-levable that Britain, Japan\* ally, should have promised her "diplomatic support" to both her sellent and to the light states.

It may seem to the lay mind laconcelvable that Britain, Japan's ally, should
have promised her 'diplomatic support'
to both her ally and to the United States.
But so, Britain's attitude has been construed.
However, there will be no war with
However, there will be no war with
the sufficient sufficient cause. About
the sufficiency of the present cause it
can be said that here is a difference
of opiniou in lose circles of the Administration which control the netivites of war.
In those circles no question is made of
the eright of Japan to maintain transports, field artillery, slege guns, and all
the incidentals of offense and defense at
Formosa.

the incidentals of offense and defense at Formosa.

But it is the undivided opinion of The American's official informants—men who would be consulted by the President in an emergency—that if war were precipitated by Japan, the first thing necessary would be the property of the thing the property of the

"Schiff Inferences Justified."

"Schiff Inferences Justified."

Officials do not comment on the "yel-Clow peril" lifted into notice by the Kalser. They admit it may be important in some dim future for Russia and Austria. "Nevertheless," they add, "Mr. Schiff's inference from Russian and Japanese machinations in the Orient are wholly justifiable. But he says that these will not affect Europe till after Japan has destroyed the Pacific Coast defenses of the United States. To our mind, that juncture is out of the bounds of probability."

It was further said that at the mo-ment the Panama Canal was opened or even at the moment this country sent its Atlantic battleship fleet back to the Pa-cific, Japan might be "ellminated from

#### Nixon Says State Dept. Has Stopped War Drift.

Lewis Nixon, the shipbuilder, in speaking of the probability of a war with Japan and the rumored alliance between Japan and Russia, said:

"I do not believe that war is inevitable if it is found that the American meanic pusheld the hands of the

evitable if it is found that the American people uphold the hands of the Secretary of State.

"We forced a few years ago a premature peace, which is usually the pre-liminary to another quarrel. But both belligerents were really aiming at the control of China, and, of course now, rather than have others exploit that country, they are in temporary combination. "But Russia, as much from peographical and physical as from political motives, should be on terms of nitmate if the should be on terms of mismate in the should be on terms of the should be applied and physical as from political motives, should be on terms of the should be a terms of the should be an terms of the should be applied and physical as from political motives, should be on terms of the should be applied and physical money for the route of the should be applied and should be applied of asserting and maintaining their rights.

"Secretary Knox has, by able states—

pable of asserting and maintaining their rights.

"Secretary Knox has, by able statesmanship, forced Russin and Japan to show their hands, and we have the great advantage of renliy knowing how they stand.

"You cannot heal the feeling of Russia toward Japan by holding out advantages to be gained when all the wealth and power so produced could be selzed by the one nearest the seat of the exploitation at some convenient moment.

"I did not find English public opinions of strongly favorable to Japan last Summer.

"The action of the State Department in plainly showing to the world that we have interests in the East and that we treat with China direct and not through the permission of some offer origin office, has stopped the drift toward war.

"It may be necessary for this coun-

1133 00309

New York American

March 7, 1910/

Professor Du Bols declared that a conflict between the white and colored laborers in the South was inevitable, at least, within the next two years, unless political conditions were radically altered.

A resolution was presented by Pro-fessor Fellx Adier to the effect that the cause of negro education be taken the cause of negro education be taken up by the Federal Government and that the Blair bill be revived and made a law. He further suggested that a committee from the Republican Club be named to draw and present to the Government this resolution, this committee to act in conjunction with one from some influentia: Democratic organization so that the matter will be entirely non-partisan.

The programme of the afternoon was closed by Mr. John Nesbit, president of the Cosmopolitan Clubs of the United States. Former Attorney. General Boneparte, who was to be the chief speaker, was unable to be present.

Banker Who Scoffed at Trouble with Japan Two Years Ago Adds to Banquet Utterances.

Jacob H. Schiff head of the world-famous banking house of Kuhn, Loeb & Co., who made the startling declaration at the Saturday afternoon luncheon of the Republican Club, that conflict between the United States and Japan was inevitable, yesterday reiterated his views in a written communication for The American.

The banker's statement and his attitude at the present time are considered particularly significant in view of the fact that in his public utterances he has always been most friendly toward the Mikado's people. Less than two years ago, at a banquet at the St. Regis in honor of Baron Sakatani, he stated that the thought of war between the nations in question could only be conceived by a stupendous stretch of the imagination.

It is also a well-known fact that when the representatives of the Japanese Government came to this country to float their last big war loan, they found relief through the Wall Street banking house of which Mr. Schiff is the directing genius.

Result of Close Observation and Study.

When asked yesterday for the details of the information that has caused him to change his views, he declared his remarks to have been simply the result of close observation and a deep study of the situation.

Here is the original utterance which has had the effect of arousing both this country and Europe to a realization of an impending struggle between the United States and Japan, that heretofore has been treated lightly in most quarters:

"The most difficult problem we have to deal with is the Far East problem. I am sorry to have to say it, but we are in danger of war over this same question. As a friend of Japan, one who helped to finance its late war, I regret this inevitable conclusion.

ret this inevitable conclusion.

"During the last few weeks it has developed to my personal mortification that Japan has joined hands with the enemy of all mankind—Russia.

"Russia and Japan have evidently one purpose-at present, at least-and that is to keep China as a lesser state. And perfidious Albion, which has always professed to be an enlightening friend of manking is a party to this coalition. If we are not careful, if we do not show the light statesmanship, we will be drawn into a controversity with this arrangement in a most disagreeable manner.

"Heretofore we white men have said: 'We are Caucisians and they are

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New York American

March 6, 1910



# WAH WITH JAPAN INEVITABLE, SAYS SCHIFF

Sulzberger and Others Join in Predicting Conflict with the Races of the East

TAIK AT REPUBLICAN CLUB

#400,000,000 People Can
Overcome 100,000,000,"
Declares Judge

"During the last wek weeks it has developed, to my personal mortification, that Japan has joined hands with the enemy of all mankind—Russia.

the enemy of all mankind—Russia.

"Russia and Japan have evidently one purpose—at present at least—and that is to keep China as a lesser state. And Perfdions Albion, which has always professed to be an enlightening friend of mankind, is a party to this condition. If we are not careful, if we do not show the right statesmanship, we will be drawn into a controversy with this arrangement in a most disagreeable manner."

The above statements were made yesterday in the course of an address by Jacob H. Schiff at the Saturday luncheon of the Republican Ciub. They followed predictions of war with the Yellow Races and an internecine strife between the white and colored races of the South, previously made by Judge Mayer Sulzberger, of Philadelphia, and Professor W. E. B. DuBois, of Atlanta University. The discussion was the outcome of a review of the subject, "Race Prejudice." Schiff Regrets the Facts.

Following Judge Sulzberger's direct prediction of trouble with Japan Mr. Schiff took the floor to add a vigorous second to the scutiments expressed. Besides the statements quoted he said:

the scaliments expressed. Besides the statements quoted he said:

"In his earlier remarks the preceding speaker made plain why we should do all we can toward the eradication of race prejudice, as applied at home and abroad. Commercial activities among

the nations have done much toward this. Commerce at all times is inore or less of a leveller of classes. In some cases, one in particular, I am aware that the happy result anticipated was not realized.

"The most difficult problem the nation has to deal with a the Far Fast involvement.

"The most difficult problem the nation has to deal with is the Far East problem. I am sorry to have to say it, but we are in danger of war over this same question. As a friend of Japan, one who helped to thance its late war, I regret this inevitable conclusion.

"I do not agree with Judge Sulzberger when he says that numbers will necessarily determine the outcome of a conflict. We must choose the right spirit, adopt the old Hebrew saying, Right, not might."

adopt the old Hebrew saying, 'Right, not might.'"

"The Pacific is now the commercial centre of the world," said Judge Sulzberger, following a lengthy description of what modern race prejudice is. "On its eastern shores dwell the people of the oldest civilization. Heretofore we white men have said, 'We are Caucasians and they are yellow men.' And we have expected them to accept this and bow to us accordingly. This they are not going to do. They have prejudices of their own, those born of their ancient civilization. A conflict with them is inevitable.

The Empire of 400,000,000.

"An empire where 400,000,000 people manage to exist is governed by no mean statesmanship. Can they teach us, or can we teach them? This question will precipitate the trouble; is doing it now."

"It is a question, in my mind, of brute force, and 400,000,000 people can overcome 100,000,000. Brute force wins always. And with all our modern tactics it remains a question of brute force and will remain to the end of the chapter.

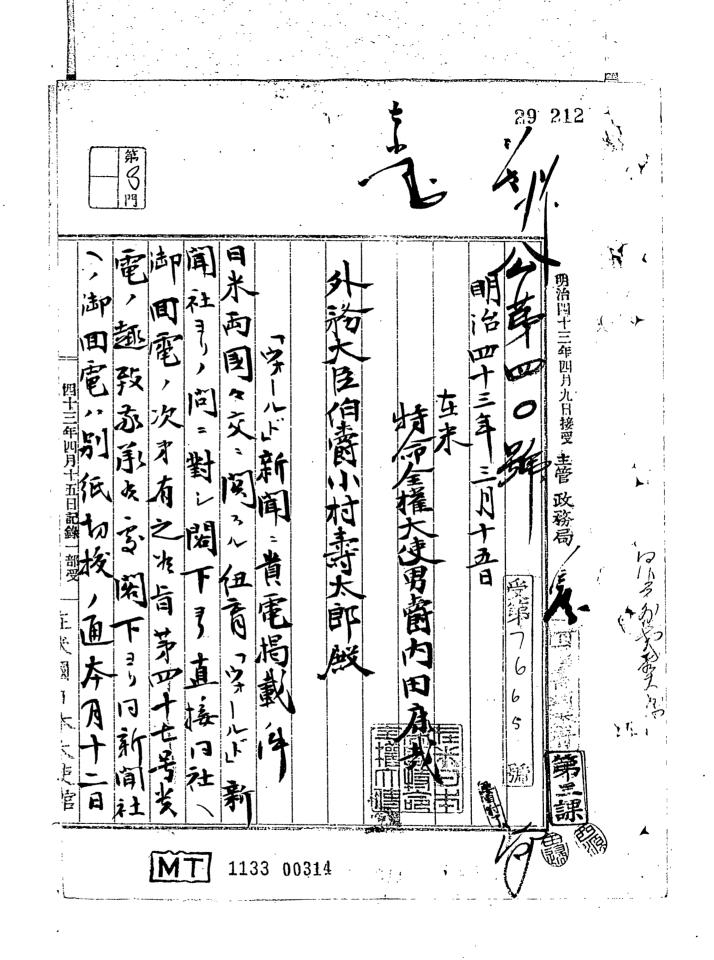
oome 100,000.000. Brute force wins always. And with all our modern tactics
it remains a question of brute force and
will remain to the end of the chapter.
"The imminent question is Japan. She
is a great power; she has been imitating
us, and her imitation has been good. The
point is now whether this acquisition of
hers by virtue of this imitation entities
her to dominance in the East. She wants
everything, but she is not to be allowed
to get everything. The controversy over
this question of dominance is coming,
and soon, before the people of this country."

Repression in the South.

"Three tools are used by the white people of this country," said he. "They are personal insult, repression and persecution, and the greatest of these is repression. Proper encouragement is denied the negro, proper advantages for development, also. Unless the people discard these there is going to be trouble, and trouble that will be countrywide, too."

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# WAR TALK ABSURD, SO BARON UCHIDA TELLS THE WORLD

"Conditions, Relations and Outlook in All That Concerns the United States and My Country Are the Best Possible," Japa anese Ambassador Declares

PRESIDENT TAFT SEES NO WAR CLOUD THREATENING

"Japan Is Engaged in a Contest," He Says, "to Make Herself a Great Commercial Nation," and It Is in That Field Alone that Any Clash Is Likely to Come.

(Special to The World.)

WASHINGTON, March 11.—Baron Yamya Uchida, the Japanese Ambassador, to day denied all alarmist reports about the relations of his country with the United States, and authorized The World, to which his granted the first interview since he reached Washington, to state from him that nothing so far has arisen to mar the pleasant exchanges between the two nations. The Ambassador exclaimed:

"War! War! Who talks about war? And why? It is absurd!

"You may say that conditions relations and outlook, in all that concerns the Unifed States and my country; are the best possible."

"What about the pending questions concerning the Manchurian situal tion?" was asked.

"Those are diplomatic problems beyond discussion at the present time," Baron Uchida replied. The fact that the Japanese Ambas sador consented to speak about the matter at all, in view of the ultraconservatism for which the Japanese are renowned, was remarked upon when other diplomats were told that Baron Uchida had authorized a state ment through The World.

The Most Reliable News."
The counsellor of an embassy who talked with Baron Uchida said that by this "Japan recognizes that The World is endeavoring to publish the most reliable news as it is obtained."

The State Department still declines to discuss the situation, Secretary Knox saying, "It is not expedient at this time," and Assistant Secretary Wilson using exactly the same words in asking to be excused from talking.

That a supplementary agreement between the United States and Japan may be arranged in the near future—a month is the time generally set food its consummation—is taken food granted by foreign officials. France and Germany both consider this step as assured.

President Taft sees no war cloud threatening the peace of the United States. The President has no idea that a conflict with Japan is possible The speech of Jacob Schiff and other inflammatory statements which have been made purporting to show the jealousy of Japan for the United States have found no echo in the President and he is still certain that Japan is a good friend of the United States.

"She is preparing for victories of peace, and in that we all hope she may be successful," the President says of Japan.

The policy of the State Department in exploiting American capital in the Far. East is sanctioned by President Taft and got his hearty indorsement in his message to Congress. That the financial operations are being held ug is not disturbing Mr. Taft's mind. The cunning and craft of European statesmen and their studied effort to embarrass the American Government as depicted by the lingoes is an un discovered element in the President's consideration. In discussing the Japanese situation, the President said:

"Now, in times past, we have been stirred up, that is, some have been those of us who knew the facts were never so stirred up—by announced."

ments of trouble between Japan and America."

The President understands Japan and the Japanese. He has visited that country several times. He has met the leaders of Japan and was entertained by the Emperor, for whom he has the highest respect. To the President, Japan's course toward the United States is perfectly apparent. He knows that Japan is trying to win for herself a high place in the commercial world and he has warned American manufacturers and merchants that they have a foeman worthy of their steel in the little Nipponese competitors.

"Japan is engaged in a contest, is engaged in a struggle, I had almost said, but I won't say it, because it is not a correct expression, in a way, and preparing herself for it," is the President's way of putting the situation.

That struggle and that contest are in the development of her resources and the making of her people a great, successful and commercial people. She has proved her ability on the field of battle. She has shown what can be done by thoroughness of preparation and courage and careful, deliterate steps in the direction of her ambition, in the defense of her rights and of the maintenance of her prestige on the field of Battle.

"We are not going to yield ourselves in that controversy, if we can help it. We are entering the contest, and I hope will strip ourselves of some nonsensical ideas that we have had heretofore in that contest, in order that we may make a little greater strides than we have made heretofore in the Orient and in those far distant countries.

"Our Business Men Conceited."
"The truth is, if I may say so, being an American, our business men are a little bit conceited over their tremendous success with the trade they have at home, and therefore they have not given as much attention as they might and as other countries give to the wishes and tastes of customers in far distrat lands.

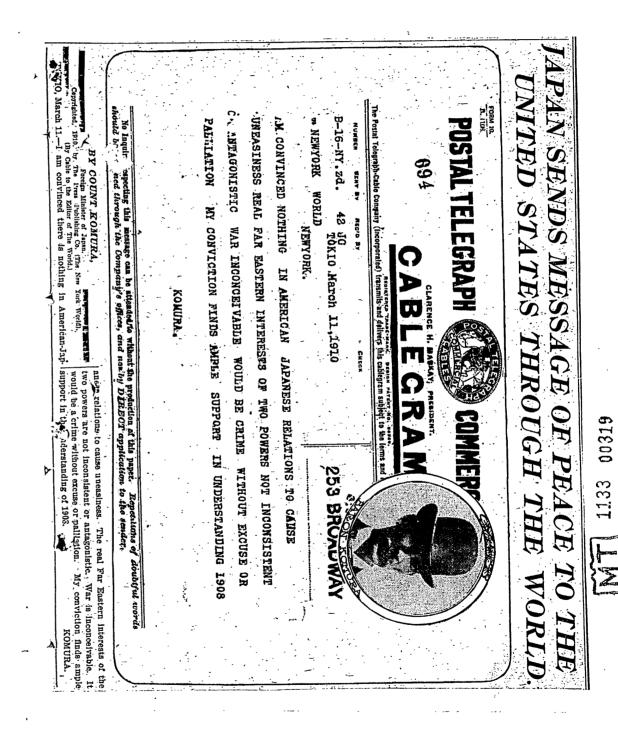
"We are acquiring sense in the advance of our business interests, and I warn our Japanese friends that while we may be a little slow in getting to work and in understanding what we have got to do, we will be stripping ourselves in a while and they must look out."

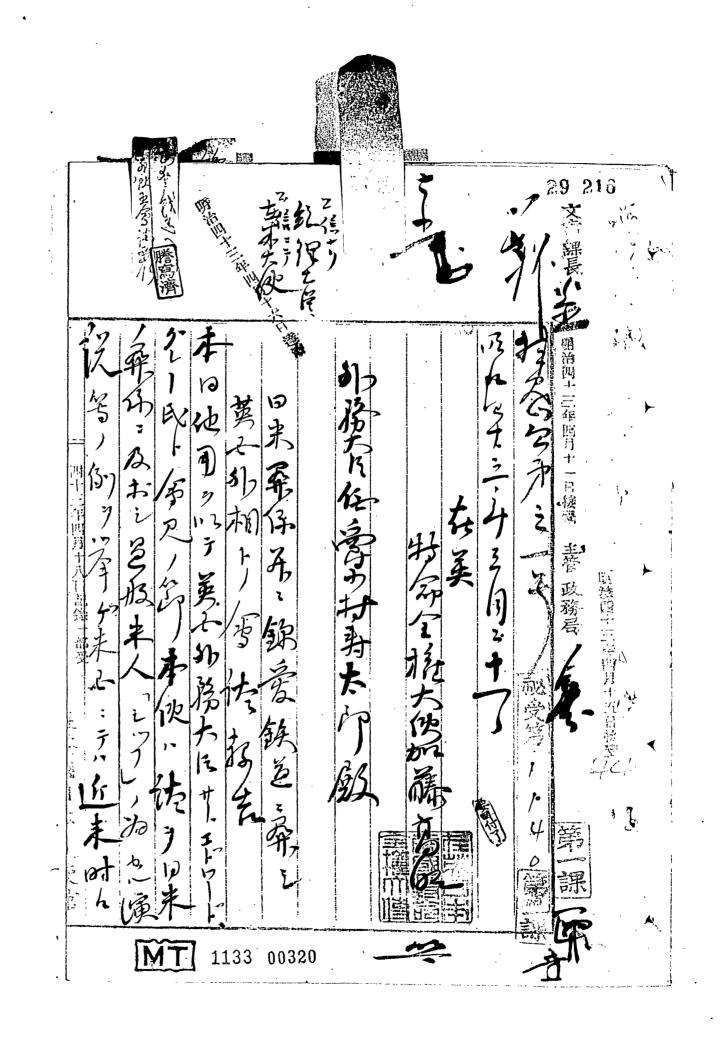
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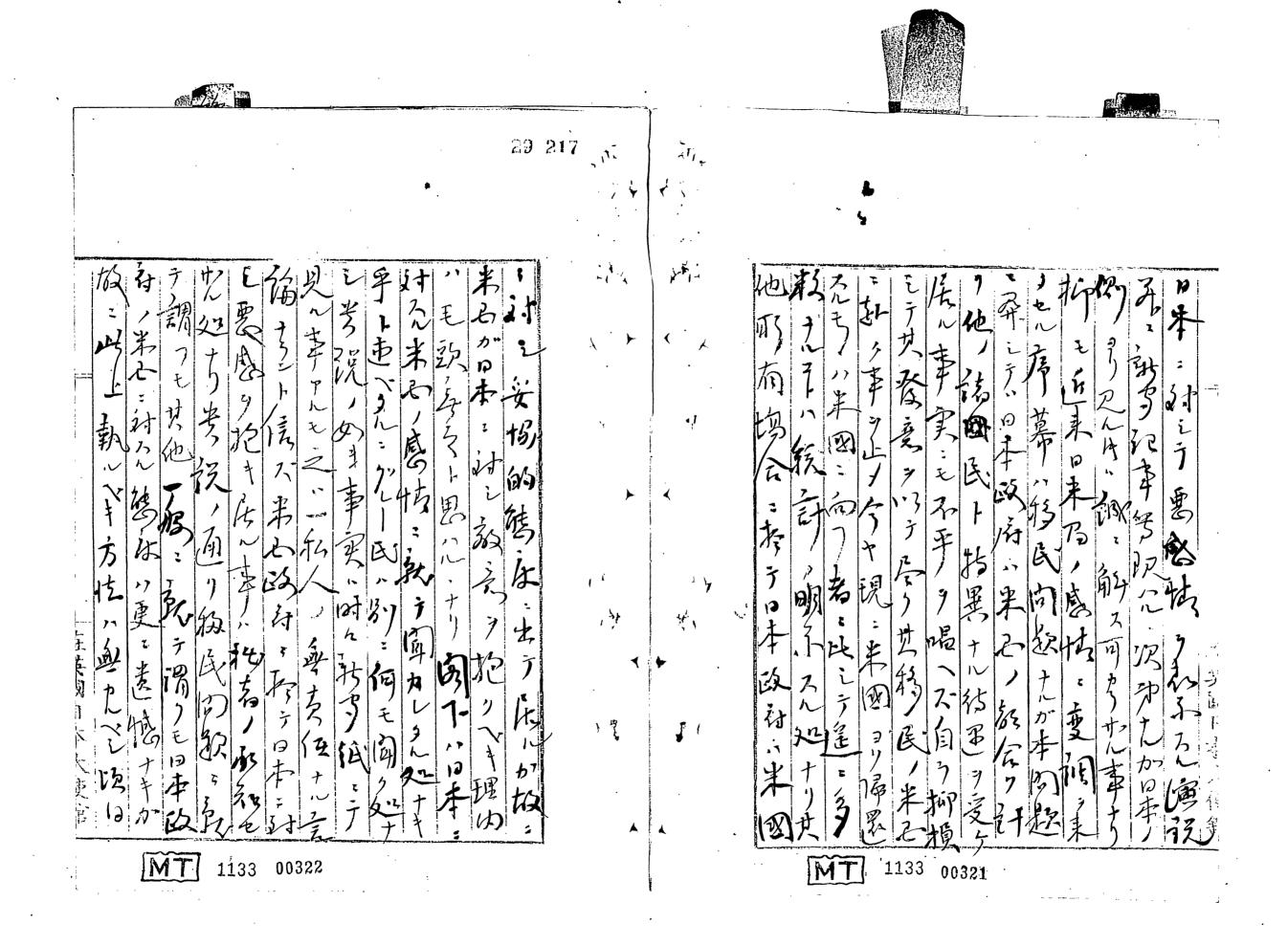
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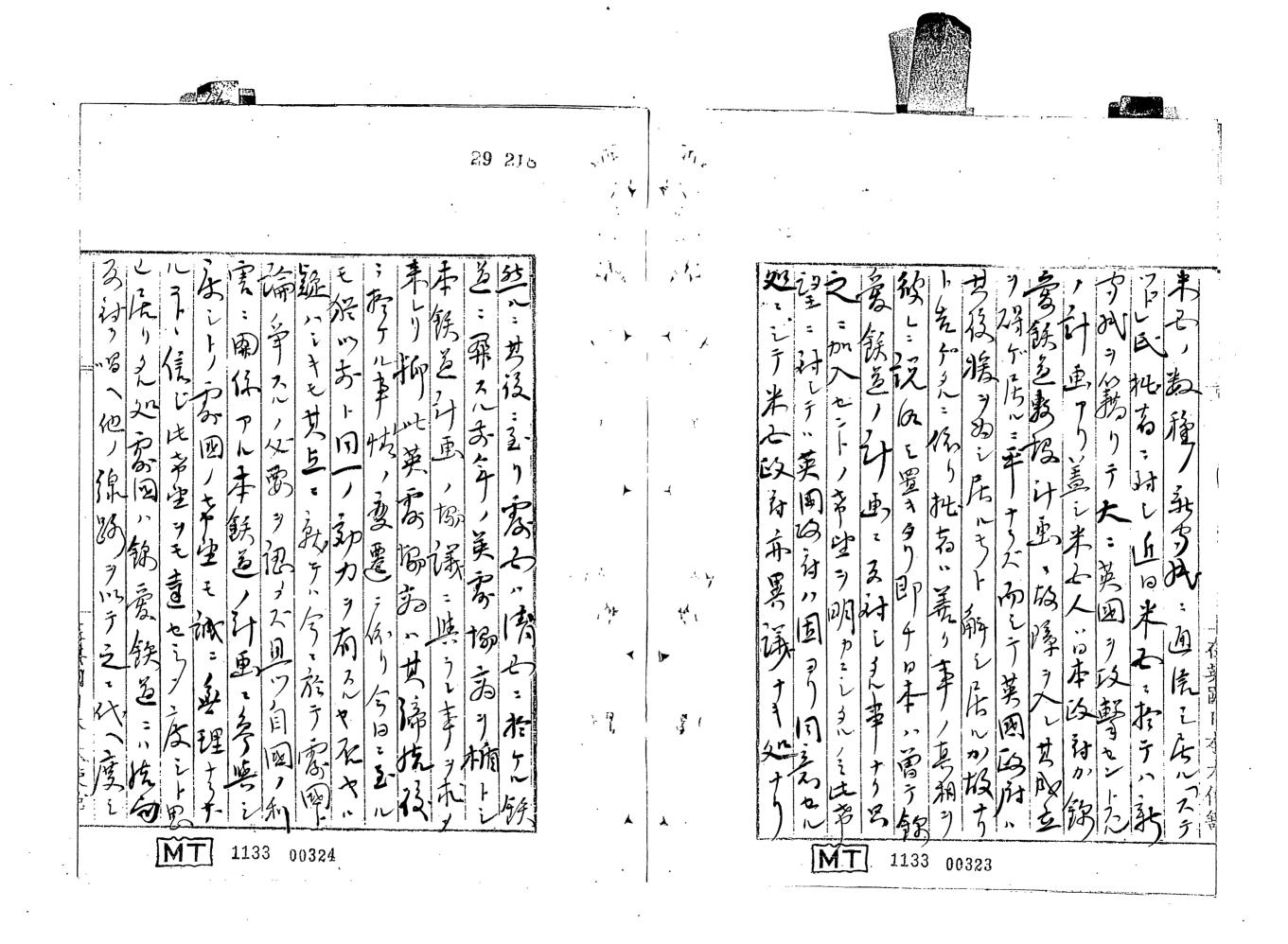


"The World" New York. March 12, 1910.

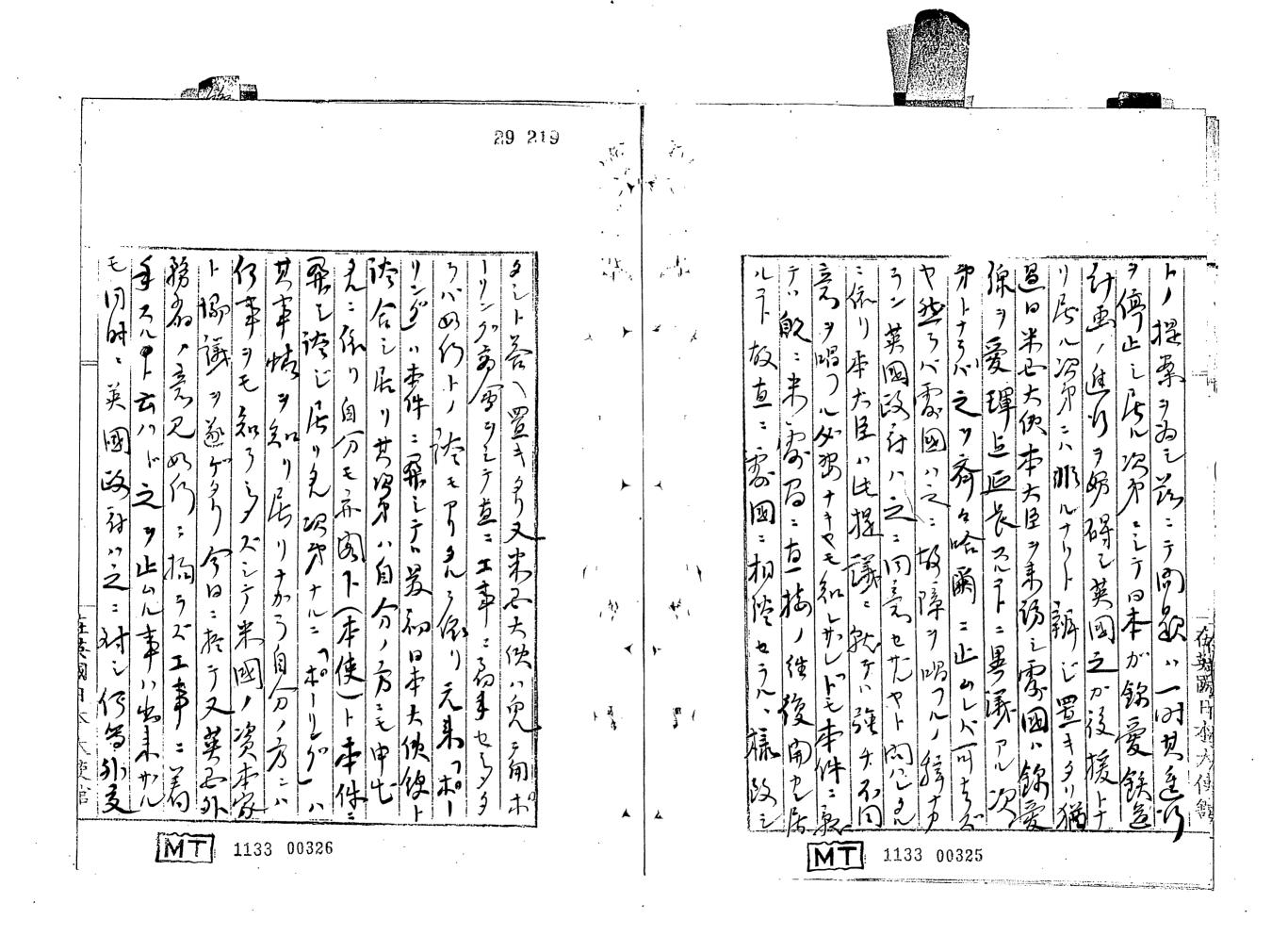




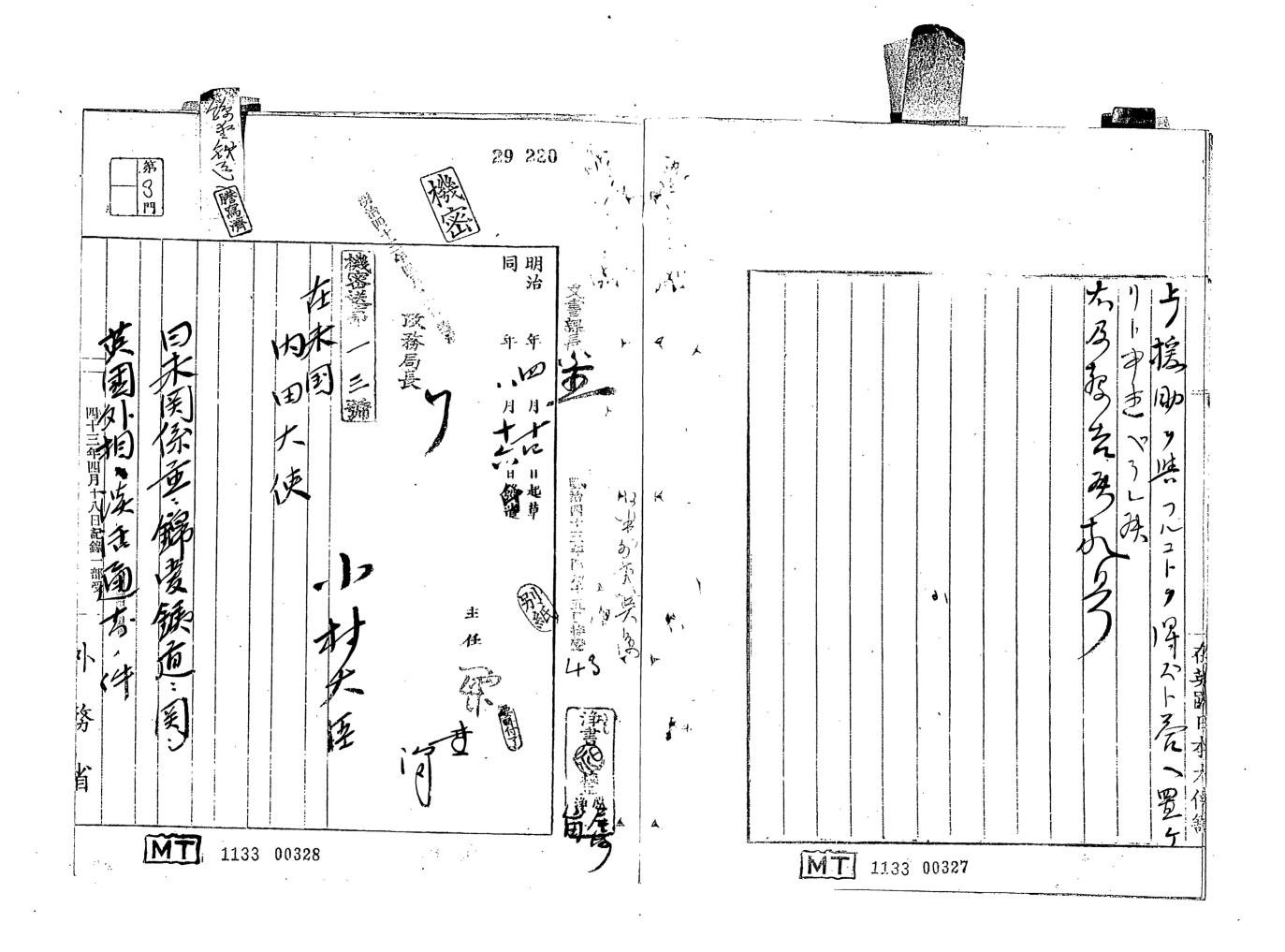




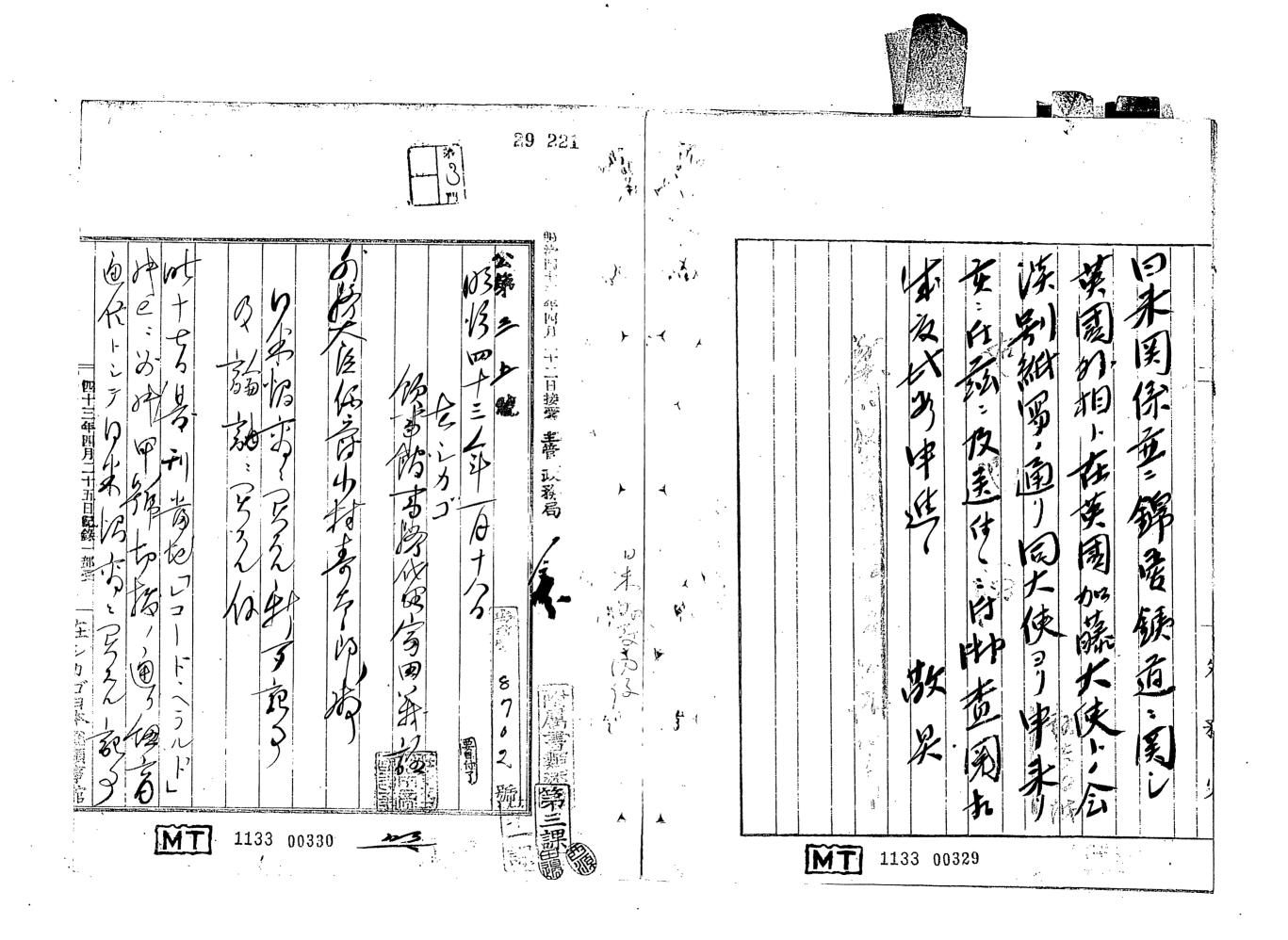
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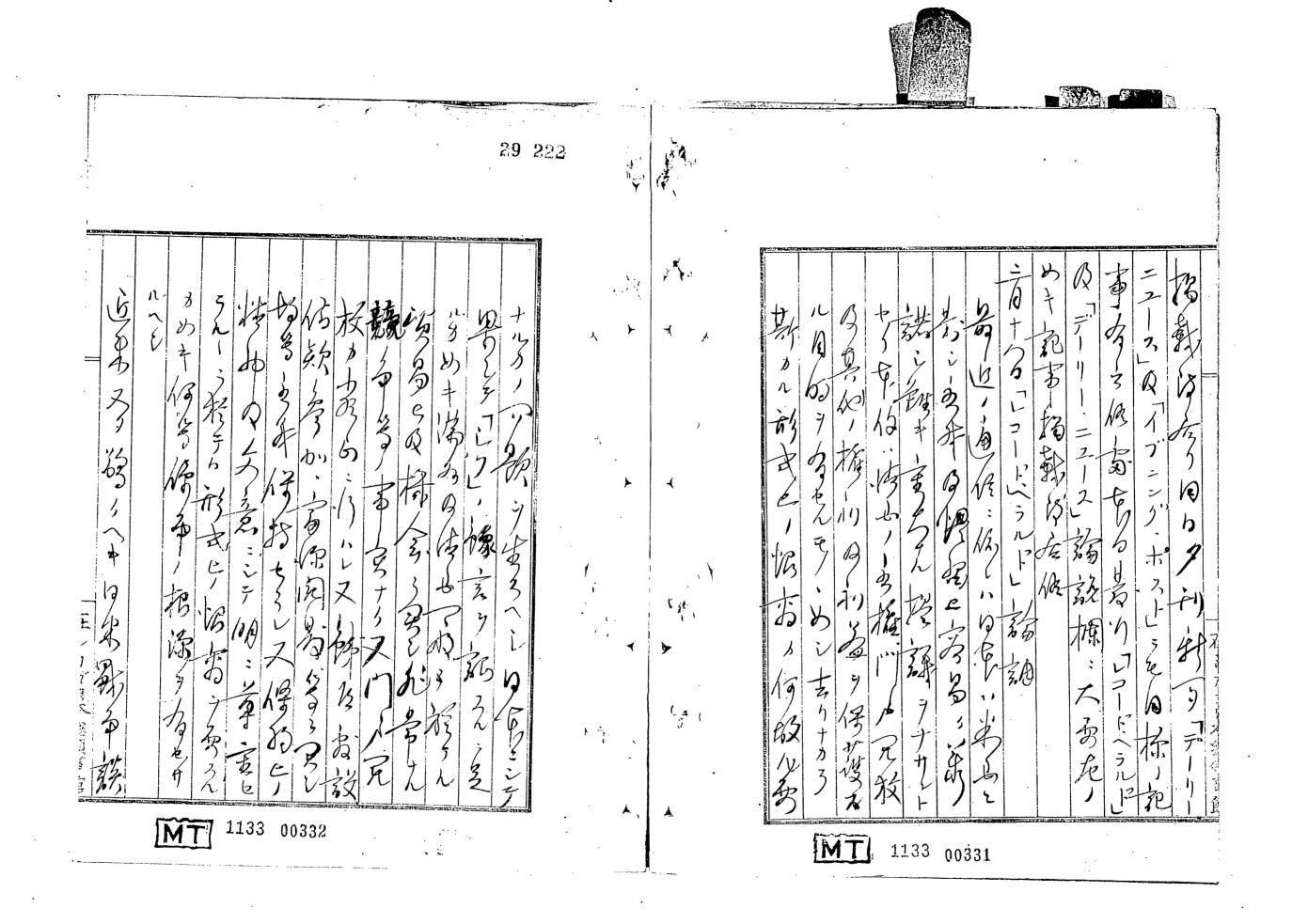
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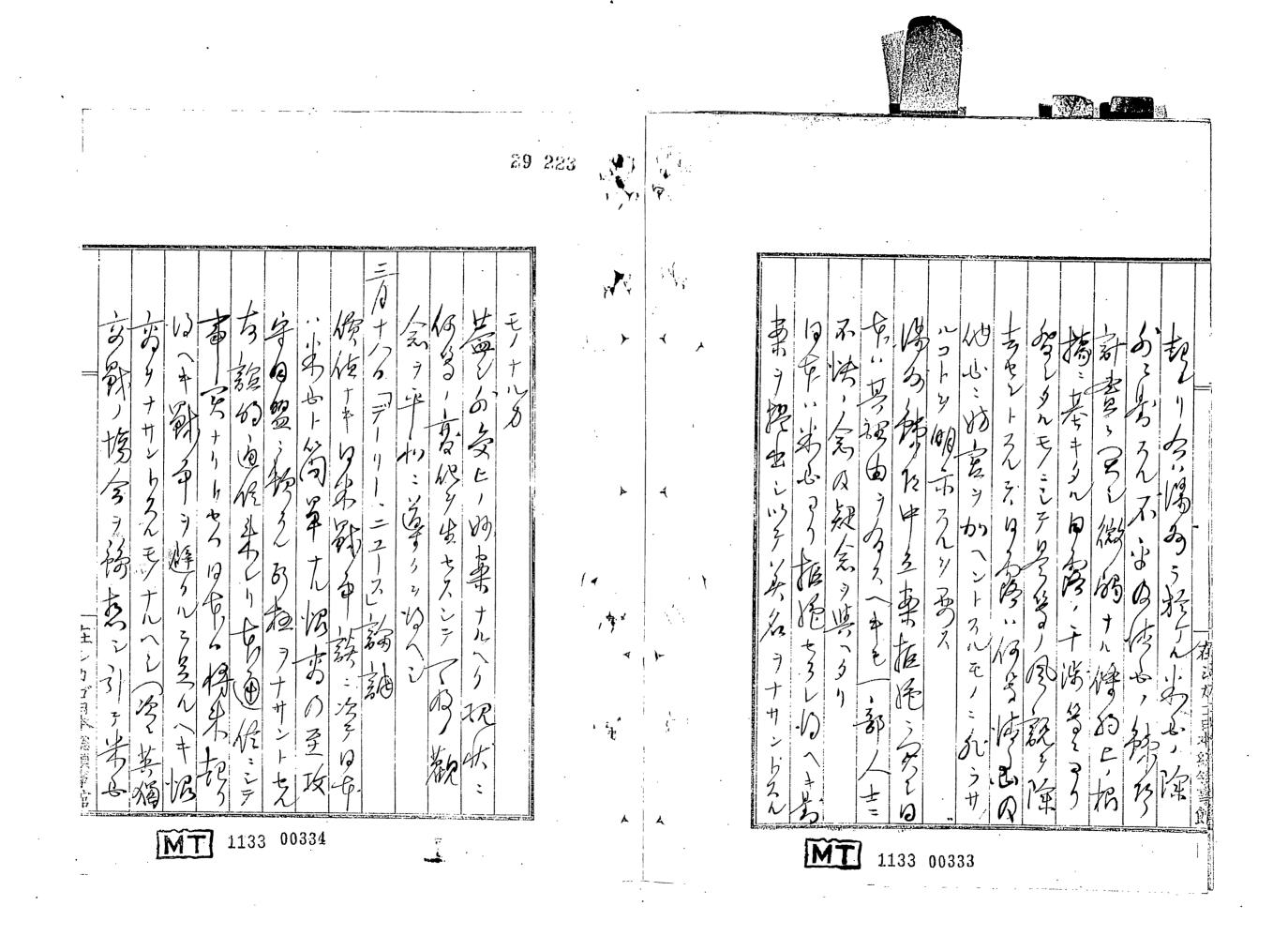
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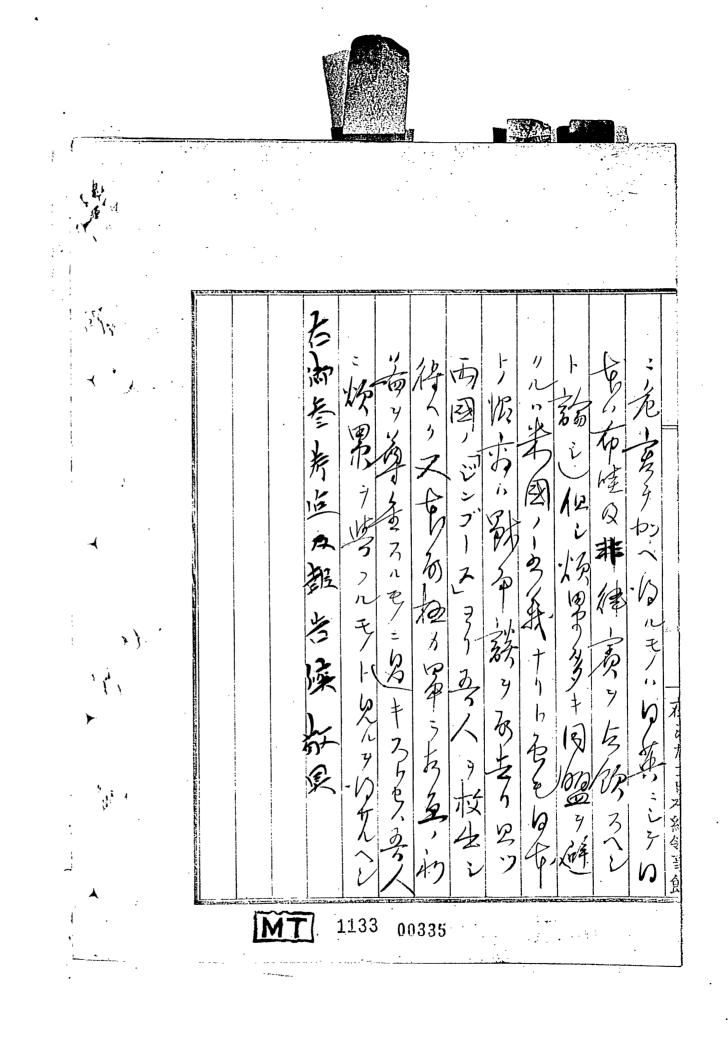
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# JAPAN ASKS AMERICA AS ALLY IN FAR EAST

Agreement Urged to Maintain Open Door and Protect Interests.

#### PROPOSALS READY FOR KNOX

Pact Would Bind Either to Defend Right of the Other When Menaced.

ISPECIAL TO THE RECORD-HERALD.1 NEW YORK, March 16.-The World tomorrow will print the following from its Washington correspondent:

The correspondent of the World is able to state on the highest authority that Japan has sent to its embassy here proposals to be submitted to the State Department looking to an understanding between Japan and the United States, so that the two countries may together dominate the far East and maintain the "open door" as well as guarantee commercial equality to all nations.

The proposals were received at the Japa nese embassy here Tuesday. They will be so presented that then conditional consideration, or even rejection, will not affect present diplomatic relations.

#### TEXT OF PROPOSALS.

The proposals which will be submitted to the State Department within a week are as follows:

as follows:

1. That a formal understanding by note or treaty, looking to the consolidation and maintenance of the general peace in Asia, especially along the Pacific shores, is advisable. The preservation of common and mutual interests in China by maintaining Chinese integrity and commercial equality, in conjunction with the provisions of the Anglo-Japanese alliance; the continued maintenance of the fisheries rights of both countries, in the regions of the Bering Straits, Philippines and Saghailen.

2. That whenever, in the opinion of either government, any of the rights or

2. That whenever, in the opinion of either government, any of the rights or interests of either party are in jeopardy, one of the parties will communicate with the other, and they shall consider in common the measures to be taken to safeguard all menaced interests and rights.

SAFEGUARD INTERESTS.

SAFEGUARD INTERESTS.

8. That safeguard be taken for the interests of both nations and of all those nations that were signatories to the Hay note. In case of unprovoked attack or aggressive policy this agreement is to be effective, no matter what government shall develop belligerency, it is further proposed that Japan shall agree to be morally bound to make peace, in mutual agreement, provided the United States recognizes the right of Japan to take such measures or guidance, control and protection of Chinese Manchuria and the Pacific basin as she may deem proper and necessary. This is with the understanding that Japanese procedure will be in consonance with the principles of equal opportunities for the commerce and industry of all nations.

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The period set for the operation of the proposals will be five years. FEELS OUT UNITED STATES.

FEELS OUT UNITED STATES.

The proposals will be submitted "tentatively," as the language of the embassles have it; that is, the purpose in submitting them is to feel out the United States without committing either nation.

The Japanese view of the proposals is that the principles involved are the guarantee for time, permanency of theory and practice of the "open door" as originally set forth by the American government; that Japan recognizes the difficulties attending the settlement of a question in which six powers are directly interested in less than ten years; that Japan does not consider the foreign suspicion that she wishes permanent retention of the Japanese-Manchuria Railway and that Japan is ever ready to agree to maintain and enforce commercial equality in China.

Japan's Friendly Advances. Hard upon the heels of the latest tup-penny scare of war with Japan comes a report of friendly advances from that country looking toward cnything we Amer-icans may happen to want, from a simple understanding to an offensive and defensive alliance. If this report be well founded Japan is willing to agree to terms that should prevent any expectation of hostili-

ities on its part.

It is believed that Japan recently came
to a friendly agreement with Russia. Japan
has an alliance with Britain binding each country to give aid in case the other is attacked by more than one power. Thus, if Germany should declare war on Britain and France should attack Germany, as would almost surely follow, and if Austria should come to the aid of Germany, Japan would ioin in with Britain. What-

Japan would Join in with Britain. Whatever happened in Europe, Japan would be reasonably certain to emerge with the Chinese and African colonies of Germany in its possession. Japan has an alliance with France imited to Asia, by the terms of which France is guaranteed against loss of its Asiatic sovereignty even through rebellion by the natives themselves.

We Americans are so far from most of the other great powers that war is unlikely. Britain and Japan are the only powers, that in the event of war would be really dangerous to us. Japan's way of making war on us probably would be to take. Hawaii end the Philippines and then sit down to hold them. With no naval bases in the orient, we could not attack bases in the orient, we could not attack
Japan effectively at home.

It has been our policy to avoid entangling alliances. But nn understanding tangling alliances. But nn understanding with Japan that would remove the specter of war would kive us a blessed relief from the lingoes at home and the lingoes in Nippon. If the agreement were merely one requiring each country to respect the interests of the other, it is hard to see how it would entangle us in any harmful manner. 23 224

Japan's Proposal and the Open Door.

According to a report, Japan is about to make a very remarkable proposal to the United States, a proposal which, our traditions and policy being what they are, can hardly be accepted. We are to be asked to enter into a treaty or understanding with Tokio for the purpose of safeguarding the open door, the sovereignty of China and other existing rights and interests.

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The question at once arises why any formal understanding of this kind should be considered necessary. If Japan has done nothing that warrants predictions like Mr. Schiff's-predictions of a tremendous "struggie" over trade and opportunities in Manchurla or China as a whole; if the open door agreement is to be strictly maintained; if in ratiroad construction, participation in loans and development of resources the principles of equal rights and fair dealing are to be observed; if, finally, treaty stipulations are to be respected in spirit and letter, then, clearly, there are no sources of friction and trouble that need to be removed by any definite understanding or entente.

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It is quite sufficient to have the entente in the mind and the "safeguards" in the actual facts and conditions.

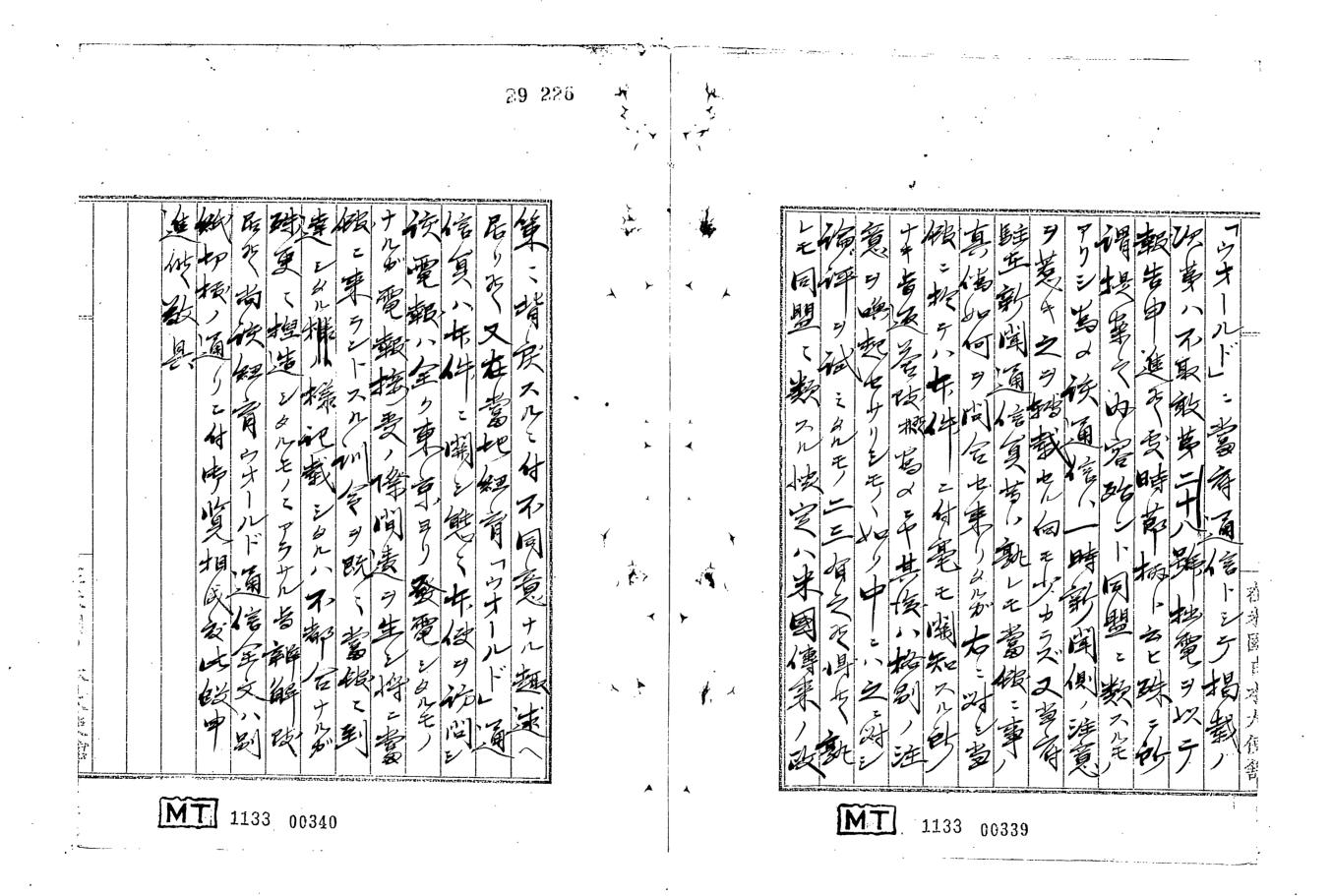
There has been too much alarmist talk about possible "war" with Japan, but some apparent foundation for sensational gossip and prophecy is found in complaints of anti-American discrimination in Manchuria and in interference with China's railroad plans by Japan and Russia-interference scarcely justified even by technical reading of existing treaties. To put an end to all incendiary talk and agitation, Japan and Russia need but to show that they do not intend to put obstacles either in China's way or in that of any power concerned in far eastern politics and trade.

By the way, Japan declined the Knox proposal for the neutralization of Manchurian railroads. She was entitled to do this, but perhaps she feels that herdecision created an unpleasant impression in some quarters and exposed her to suspicion. Is she about to submit a ; sort of counter-proposal in order to invite a declination from us and thus make honors even? Dipiomatically this would be shrewd and at the same time quite harmiess. The status que would remain unchanged, but the thoughts of the people would have been turned to peace and good will.

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REEL No. 1-0090

(1) That a formal understanding, by note, or treaty, looking to the consolidation and maintenance of the general peace in Asia, especially along the Pacific shores, is advisable; the preservation of common and mutual interests in China by maintaining Chinese integrity and commercial equality, in conjunction with the provisions of the Anglo-Japanese alliance; the continued maintenance of the fisheries rights of both countries in the regions of the Behring Straits, Philippines, and Saghalien.

(2) That whenever in the opinion of either government, any of the rights or interests of either party are in jeopardy, one of the parties will communicate with the other and they shall consider in common the measures to be taken to safeguard all menaced interests and rights.

(3) That safeguards be taken for the interests of both nations, and of all those nations that were signatories to the Hay note. In signatories to the Hay note. In The Japanese Ambassador at gressive policy, this agreement is to be effective no matter what "tentatively," as the language of the government shall develop belliger- embassies have it; that is, the purbound to make peace, in mutual mitting either nation. of equal opportunities for the less than ten years; that Japan does commerce and industry of all not consider the foreign suspicion nations.

Proposals Tentative.



ency. It is further proposed that pose in submitting them is to feel Japan shall agree to be morally out the United States without com-

agreement, providing the United The Japanese view of the proposals States recognizes the right of Japan is that the principles involved are the to take such measures of guidance, guarantee for time permanent of control and protection of Chinese the theory and practice of the "open Manchuria and the Pacific Basin door," as originally set forth by the as she may deem proper and neces- American Government; that Japan sary. This is with the understan- recognizes the difficulties attending ding that Japanese procedure will the settlement of a question in which be in consonance with the principles six powers are directly interested in that she wishes permanent retention of the Japanese Manchurial railway The period set for the operation of the proposals will be five years.

The proposals will be submitted equality in China.

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#### AMERICAN-JAPANESE SITUATION AS IT STANDS IN BLACK AND WHITE TO-DAY.

The existing arrangement on these subjects between Japan and the United subjects between Japan and the United States was made on December, 1998, by Secretary of State Root and Baron Takahira, who exchanged letters agree-ing to the following: 1. It is the wish of the two Gov-

ernments to encourage the free and peaceful development of their com-merce on the Pacific Ocean.

merce on the Facine Ocean.

2. The policy of both Governments, uninfluenced by any agressive tendencies, is directed to the maintenance of the existing status que in the region above mentioned, and to the defense of the principle of the control of the defense of the principle of the control of the defense of the principle of the control of the defense of the principle of the control of the defense of the principle of the control of the defense of the principle of the control of the defense of the principle of t equal opportunity for commerce and

industry in China.

3. They are accordingly firmly resolved reciprocally to respect the territorial possessions belonging to each

other in said region.

4. They are also determined to preserve the common interests of all powers in China by supporting, by, all pacific means at their disposal, the independence and integrity of China and the principle of equal op-

portunity for commerce and industry of all nations in that empire.
5. Should any event occur threatening the status quo, as above described, or the principle of equal opportunity as above defined, it remains for the two governments to communicate with each other in order to arrive at an understanding

as to what measure they may con-sider it useful to take. The supposition here is that Japan wishes to go beyond this understanding almost to the point of an alliance—and that its proposals now to be submitted are its first step in that direction. Nothing is known as yet as to the attitude of the American Government,

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"New York World" March 17, 1910.

# JAPAN TO PROPOSE TO AMERICA JOINT CONTROL OF FAR EAST AFFAIRS.

Maintenance of "Open Door" and Commercial Equality, with United States Giving Moral Support to Japan in Manchuria, Is Suggested.

ALMOST A FORMAL ALLIANCE AS BASIS OF UNDERSTANDING.

Proposals, Thus Far Only in Tentative Form,
Have Been Received at Japanese Embassy
in Washington from Tokio—Attitude of
American Government Not Yet Known.

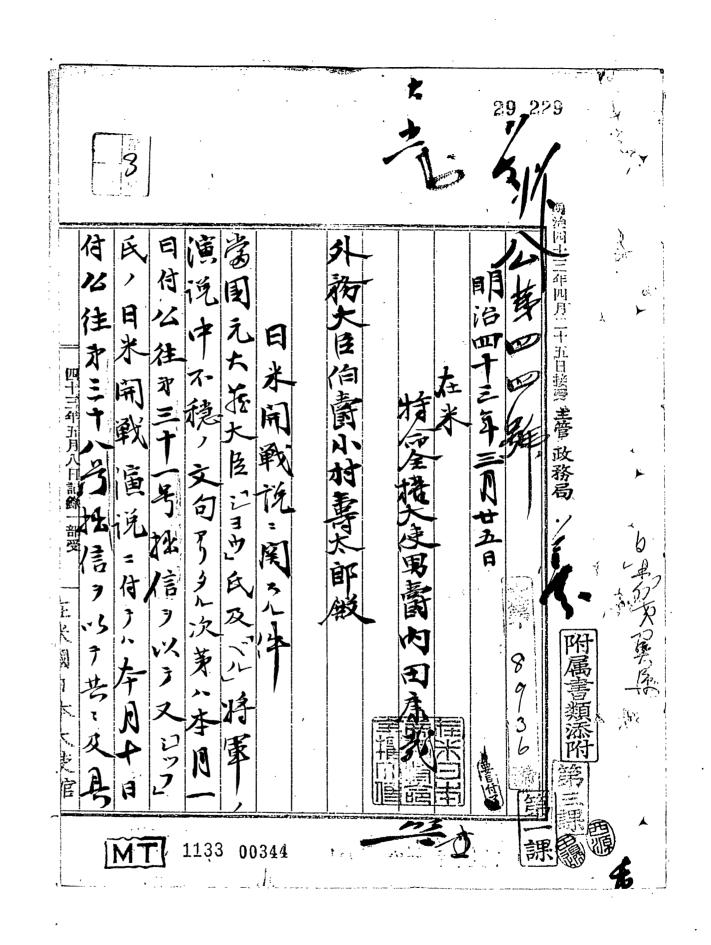
(Special to The World.)

WASHINGTON, March 16.—The correspondent of The World is able to state on the highest authority that Japan has sent to its embassy here proposals to be submitted to the State Department looking to an understanding between Japan and the United States so that the two countries may together dominate the Far East and maintain the "open door," as well as guarantee commercial equality to all nations.

/ The proposals were received at the Japanese Embassy here Tuesday. They will be so presented that their conditional consideration or even rejection will not affect present diplomatic relations. The proposals which will be submitted to the State Department within a week are as follows:

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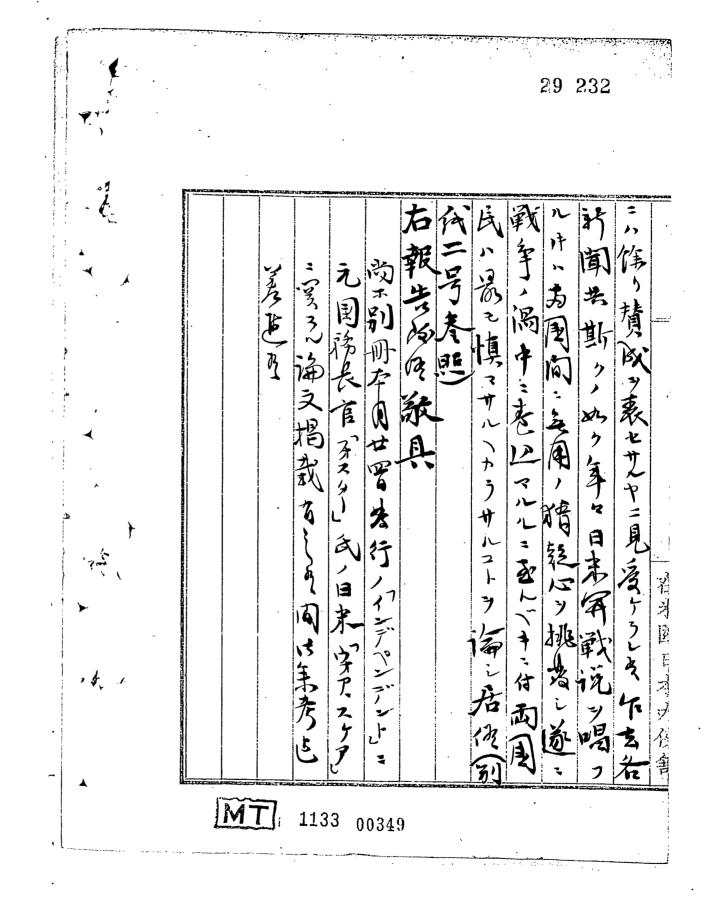


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"Chicago Daily Tribune" March 10, 1910.

#### THE BUSY JINGOES.

The possibility of war between the United States and Japan is a favorite theme for the jingoes. Their outbreaks come at fairly regular intervals. The statesmen, the soldiers, and the financiers seem to be the ones most susceptible to alarms. Usually they have some "special inside information" on which they base their declarations. They cry out loudly for new battleships, for better defenses, for immediate action in the direction of preparation for the "great war" that is certain to come. Sometimes their jingoism is closely connected with their own personal financial interests. But whatever the situation it is jingo most of the time.

The situation in the far east undoubtedly has many disturbing factors connected with it. The three cornered struggle in Manchuria has elements of dauger to international peace. With China planning to hold its own territory and Russia and Japan seeking advantage there, each year is quite likely to increase the friction and add to the complications. If the "open door" policy were abandoned, perhaps by united effort of Russia and Japan, there might be trouble involving our country.

But so far as the relations between the United States and Japan are concerned it is difficult to see any reason for the American citizen to be disturbed. The expressions by Japanese officials are most.

kindly to this country. No opportunity is lost for reiteration of statements of the desire for continued friendship. The public opinion of Japan as it is reflected in the press is unable to understand the belligerent utterances of American jingoes. The declaration of Secretary Knox that "there is not the slightest likelihood of any trouble with Japan any more than with any other country with which we have excellent relations of friendship" represents both the opinion and the sincere wish of the great majority of citizens of the United States.

A study of Japan's financial condition and financial policy is one of the most convincing methods of allaying excitemen caused by the jingo alarmists. The administration has been following a consistent policy since the Russian war closed. It has rigorously curtailed its expenditures in every department. It has reached the conclusion that sound financial credit is a far better foundation for military movements if such are to come than increased debt for military equipment. An examination of the record of 1000 in economics and finance is the best answer to the jingoes. If Japan has any designs on the United States in the form of "a great war," it will not begin the struggle tomorrow, at least. The United States may need battleships for future use. But the danger from Japan is distant. A war between the two countries would be distinctly discreditable to both

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" New York Herald" March 10, 1910.

Mr. Schiff's Firebrand Speech.
"Violent and dangerous nonsense" is
the phrase aptly applied by one commentator to the firebrand speech made
by Mr. Jacob H. Schiff at the Republican
Club denouncing Japan, Russia and
Great Britain.

The speaker, referring to himself as having helped to finance Japan in the war with Russia, was mortified at the spectacle of Japan—ungratefu Japan—joining hands with Russia, "the enemy of all mankind," and denounced "perfidious Albion" for lending her countenance to their rapprochement.

Russia and Japan, Mr. Schiff declared, had one purpose in common, namely, to prevent China from progressing—to keep her in a state of vassalage. In the friendly relations between Russia, Japan and Great Britain he saw a most formidable menace to the world's peace and predicted a fierce strife in which "we Americans" may be involved. Since his remarks have appeared in print Mr. Schiff has explained that he did not mean to predict war, but a struggle for contractional opportunities in China.

mercial opportunities in China.

However that may be the speech was singularly ill timed. All nations are now working to maintain and solidify the world's peace, and the sole danger is in the stormy petrels of politics. It would appear from the tone of Mr. Schiff's remarks that Japan's offence lies not so much in conspiring to keep China in vassalage as in herself failing to remain in vassalage to the money lenders.

salage as in herself failing to remain in invassalage to the money lenders.

In a statement by Mr. Schiff's friends it is intimated that the bankers not only made the war with Russia possible by giving Japan credit but also brought about the interposition of President Roosevelt and secured the treaty of Portsmouth at a time when Japan was nearly exhausted and protraction of the struggle would have ended in her defeat.

Japan is charged with ingratitude to the money lenders because in the question of the Manchurian railways a common interest has led her to act in concert with Russia—characterized by Mr. Schiff as "the enemy of all mankind." All the Powers, including "perfidious Albion" and the United States, are pledged to maintain the territorial integrity of China and the independence of her government, and, therefore, she is not going to be reduced to "rassalage" by anybody.

and, therefore, sae is not going to be reduced to "vassalage" by anybody.

Without going into the merits of the arguments advanced by Russia and Japan against the Manchurian railway project it may be said that the question involves nothing to justify such hysterical nonsense as that indulged in by the usually cool and sagacious Mr. Schiff.

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"Evening Post" New York. Mar. 9, 1910.

JAPAN AND THE UNITED STATES.

Mr. Schiff's remarks on the situation in the Far East have set a big ball rolling. It doesn't matter very much what particular words he used. -The language of an after-dinner speech is seldom reported with even approximate accuracy; in the present instance, the reports vary very materially. The essential point was that he spoke of an impending struggle of the utmost gravity, in which the concert of action of Russia and Japan for the domination of China, with England a party to the compact, is the central factor. When a man of Mr. Schiff's position speaks in this tone, it makes comparatively little difference whether he does or does not specifically make mention of war. The effect on the public, in his own country and abroad, must be to revive the wartalk which is ever ready to spring up. and such has been the effect in this instance. It will probably blow over after a little while, but for the moment it has been put to the front more seriously than had been the case for many months. We are forming the Japan habit, very much as the English have formed the Germany habit; and the chief source of the phenomenon is the same in both cases. Other factors keep. coming and going, but the matter of trade is always with us. The question remains whether we are going to keep our heads level on that subject or are going to magnify it beyond all reason. On the answer to this question, more perhaps than anything else, depend the future possibilities of the Japan-Ameriica situation.

The Times this morning devotes the whole of its editorial columns to a discussion of the relations between the United States and Japan. In an article of remarkable ability, it reviews the history of our relations with Japan and sets forth what it regards as our present grievance. Its protest and criticism centre about the refusal of both Japan and Russia to assent to Secretary Knox's proposal for the neutralization of the Manchurian railways belonging to those countries respectively; though there is in it the background of complaint of a more or less ser ious and more or less definite character made by Americans as to discrimina tions against them in their Manchurian

business. But the article begins with a comment on the surprise that has been expressed in Japan over "Mr. Jacob H. Schiff's prediction of a great struggle in the Far East-for it was a great struggle, a commercial struggle not a war, that Mr. Schiff predictedin which it seemed to him probable that the United States, Japan, and other great Powers would be involved." And the particular point that we wish to make is that this kind of denial that the "struggle" predicted would be war, this kind of assertion that it would be a "commercial struggle, not a war," whether intended to have substantial effect or not, really leaves the matter just where it was. Nobody supposed Mr. Schiff to be prophesying war tomorrow, or next year; he would be the last man to do such a thing; and if he had done it the words would be passed over as a mere momentary indiscretion The really serious thing about this Manchurian trade talk is that it is not sensational, but deadly sober; and the mischief it does is in producing the impression not that we are on the eve of an explosion, but that permanent interests of tremendous moment are involved, which we must protect at all hazards. If the men of peace keep cultivating this notion, we may be sure that the men of war will find in it their best opportunity. By all means, let our Government ex-

ert itself to secure to American trade every opportunty to which it is justly entitled. When agreements are violated, when improper discriminations are made, let the resources of our State Department be vigorously put forth to secure a remedy. But let us not rush into the field of popular agitation, and treat as an occasion for solemn national foreboding that which is fit subject only for the patient endeavors of those offi-cially charged with the conduct of our foreign relations. The trade of Manchuria may become in the future a matter of great importance to the people of the United States, and we must provide in the present against difficulties in the future. But let there be measure in all things. Do not let us act, with regard to the vague possibilities of a future that nobody can forecast, as though we were dealing with a vital or critical con-'cern of the present. There will be plenty of time for a thousand forms of 00353



negotiation and diplomatic pressure before the trade of Manchuria begins to bo of any immediate importance to the nation. The Times's article says that "to Manchuria alone we used to send \$10,000,000 worth of cotton goods every vear," a statement which we fancy can only be true of a very few years, and of these for reasons of an exceptional nature; but what is quite certain is that our entire export trade to the entire Chinese Empire never exceeded \$20,000.-000 prior to the Japanese-Russian war, except in the single year 1902, when it reached \$24,000,000; that the average of that trade, for the ten years preceding the war, was less than \$13,000,000; and that before that decade it was much c smaller still. If we take in Hongkong, an addition of seven or eight million would have to be made. This, of course settles nothing: but, after all, it must make some difference to the feeling of rational men whether they imagine they |t are dealing with enormous immediate interests, or whether they realize that the entire Chinese export trade-the whole of it, not merely the profits-is, for this rich nation, a mere bagatelle.

The truth is that the magnifying of the importance of foreign trade is one of the traditional superstitions of mankind. The persistence of the balanceof-trade delusion is one of its manifestations; the idea that a country is in imminent danger of death by suffocation if she does not keep eyery avenue for export open is another. In England, of course, there is special reason for this kind of feeling; with a population nearly half as great as that of the United States in those two little islands, over-seas trade is with the British a matter of life and death. But who would have thought it possible, a few years ago, that anybody could think of our vast country as in any such position? That is the kind of talk, however, that we are beginning to accustom ourselves to; and among the tasks of the economists of the country must henceforth be included that of teaching the necessity of weighing the benefits of foreign trade in the scales of rea-

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"Journal of Commerce" New York. Mar. 11. 1910.

#### THE DESIGNS OF JAPAN.

It is reassuring to be told, on author? ity evidently inspired, that when Mri mills of Osaka, the low rates of inter-Jacob H. Schiff, hoping he might be a est which the Government provides for false prophet, and speaking as a friend the financing of this trade, and the faof Japan, said that he believed a great war was coming, referred to nothing frontier by the connivance of Japanese more serious than a great commercial struggle. Why all this solemnity to introduce a statement so commonly, understood; why, if it were not a war, but merely a competition to sell goods. should we be warned that "if we don't show just the right statesmanship, to defeat the purpose of Japan and Russia, we Americans will be drawn into Eastern affairs in a very disagreeable manner?" The zeal displayed for the maintenance of the integrity of China is a tribute to the vitality of certain great principles for which this journal has long and steadfastly contended. No exception can be taken to the statement that "our rights and our justified expectations in respect to Manchuria rest primarily upon the principle of the Hay note, accepted by all the great powers, the principle that the territorial integrity of China shall be respected, and that equal commercial opportunities shall be guaranteed." But while the Hay note was courteously accepted by Russia it was suavely thrown into the waste basket. Nobody knew better than its author that it was a purely; academic declaration of policy, and that in its contemptuous disregard there lay no peril of war. Nobody would have smiled more broadly than Secretary Hay to have it seriously proposed to deliver to Russia the ultimatum which Mr. Schiff's expositor delivers to Japan: "It is all we have asked, it is as little as we can accept."

It happens that the world owes it absolutely to Japan that the Hay policy is anything more than a historic mem ory, and it happens, too, that no nation is so vitally concerned in preserving the integrity of China as Japan berself But it is charged, mostly by people whose acquaintance with the subject is very recent, that Japan shows her contempt for the principle of the open door by giving her own nationals special advantages in the markets of Manchuria, and that her covert designs on Chinese sovereignty were unmasked when she struck hands with Russia to defeat Secretary Knox's plan for the neutralization of the Manchurian railways. The

the special rates which her railroads concede for the transportation of carloads of cotton piece goods from the mills of Osaka, the low rates of intercollectors of Chinese customs in the leased territory. But it is obviously dif-ficult for us, whose foreign trade is largely dependent on the concession of special export and import rates by rail and whose whole industrial system has been built up by what is practically s policy of subsidies, to object to Japan taking a leaf from our own paterna system. The smuggling indictment wat brought by one of our Consuls, now out of the service; it has been answered by the Japanese Government and no rejoinder has been forthcoming; so that it must be held to be still lack-ing in proof. For Mr. Knox's benevolent interest in the neutralization of Manchurian railways there is much to be said, as there would be, say, for the neutralization of the Panama Canal. But had the Japanese Foreign Minister addressed the powers on the latter subject, without previous communication with Washington, it is safe to say that he would have elicited a reply a good deal less courteous than that which came from Tokio and St. Petersburg.

The simple fact of the case is that Russia and Japan hold by treaties with China sovereign rights in Chinese terri-tony, bounded in the one case by a so-called railroad "zone," and in the other by the zone supplemented by a lease of the Liaotung Peninsula, All these rights, including the ownership of the railroads, are terminable, and Russia and Japan have merely intimated that, for reasons of their own, they do not propose that the time for which they run shall be shortened. There is thus nothing either occult or alarming about any phase of the situation, and certainly, nothing to explain the remarkable utterances of Mr. Schiff or justify the platitudinous arraignment of Japan by his interpreter. We freely acquit both of them of any questionable motives in assailing the good faith of Japan and in assuming that the interests of the two nations are neces-sarily hostile. But both are, nevertheless, strengthening the influences which make for the dismemberment of China and weakening those which sustain its allegation that Japan prevents equality integrity. On Baron Shibusawa's first of commercial opportunity in Manchuria is supported by a reference to a note was struck at a luncheon given in

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to him by the American Asiatic Asso-ciation which fitly expresses the lasting concord subsisting between Japan and the United States. The then recent conclusion of the Anglo-Japanese treaty was hailed as an effective guarantee, no less of the maintenance of the open door for commerce in the Far East than of the independence of Japan. The pres-ervation of that independence was regarded as indispensable to the peaceful development of the great communities of Eastern Asia, and anything that assailed it as hostile to the interests equally of the United States and Japan. Though not formally a party to the agreement between Great Britain and Japan, the policy of which it was the expression was declared to be also the policy of the United States, and the purposes which it was intended to subserve were also our purposes. This union of interest and of sentiment on the part of the three great nations like the United States, England and Japan was recognized as a union which makes for peace and the progress of mankinda union which very intimately concerns both the social elevation and the material welfare of half the human race These sentiments have certainly lost none of their force, and it would be nothing short of a national misfortune should they cease to guide the course of American diplomacy or cease to shape the public opinion of the United

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ward Grey. However this may be, there is nothing either in the joint refusal of Russia or Japan to consent to the neutralization of the Manchurian Railway system, or in the Russian negative to the Chinchow-Algun proposal, to support the idea that these Powers, with the consent and approval of Great Britain, have combined to keep China in a state of vassalage. China's very guarded reception of the Russlan counter-proposal for the extension of the road which has just been constructed, under purely Chinese auspices, from Pekin to Kalgan, so as to connect with the Baikal section of the Trans-Siberian, is the best possible proof how far she has advanced beyond the diplomatic help-lessness of thirteen years ago. The vital interests of China were then a matter of bargain and sale between the Russian Government and the corrupt clique that surrounded the Empress Dowager. The dismemberment of the Empire had then fairly begun, and it was generally recognized that the promises of Russia to complete the military evacuation of Manchuria were made only to be broken. It was Japan, and Japan alone, that arrested the process of the Russian absorption of North China; the annexation of the great province of Shantung by Germany; the division of the Yangtsze Valley, as a "sphere of influence," between Great Britain and Germany, and the passing over of what remained of the Hinterland to the control of France. In doing this Japan had the moral, and incidentally the financial, support of Great Britain and the United States. But neither of these Powers would have gone to war to drive Russia out of Manchuria or prevent the imminent division of the Chinese Empire, however probable it may have been that all their influence would have been exerted to preserve the independence of Japan in the event of her defeat by Russia. The central fact, however, is that it is as impossible to-day as it ever was for Japan and Russia to come to any agreement which would be fatal to the integrity of China. Of that Great Britain has been the steadfast advocate throughout all the years it has been seriously menaced, and it would be a manifestly suicidal policy for her to aid any other Power in assailing it at the present or any future time.

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The schiff, View of Manch prin.

The strongly anti-Japanese tope of the New York Times's editorial review of the Manchurian situation seems to reflect Jacob H. Schiff, the banker and moneyiender, whose remorks on the same subject a few days carlle, attracted some attention. The Schiff view is the capitalistic view. And it must be admitted that in all of our dealing with the Cepart in the of our dealings with the Orient in the past dozen years, the capitalistic view has been potent. The cathreak of Mr Schiff, supplemented by the article in the Times, is of special interest, however, in disclosing the impasse evidently reached by the Taft administration in its oriental policy. Attention has airendy been called in these columns to Japan's veto of the Knox proposal for the international neutralization of the Manchurian railroads, under a nominal Chinese proprietorship, and to Russia's veto of the projected railroad be tween Chinchow and Aigun. There the matter seems to rest. Mr Schiff proceeds, in this crisis, to refer to "a coming struggle"—not of war-and "to arouse the people of the United States to the 'necessity of promptly meeting the situa-tion in a spirit of righteousness.' The Times offers a general indictment of Japan, and does not spare Russia and Great

Britain.
The fatal weakness of the Times's indictment of Japan is twofold. Is Japan metment of Japan is twofold. Is Japan false to her pleases regarding the maintenance of the open doly in her sphere in Manchunia? The Times admits that "it might be difficult to prove discriminations on the part of Japan." But it has suspicions, "To Munchuria nlone," it says, "we used to send \$10,000,000 worth for central research." says, "we used to send ALLOMACO worth of cotton goods every year"—and what does the decline signify? It may be true that the Japanese railroad administration gives secret rebates to Japanese goods competing with American goods and that Japanese officials use every means to push Japanese trade in the province. But, in dapanese trade in the province, but, in a recent official report, published as late as Norember last, our consul at New-chwang, in accounting for the capture of the Manchurian cotton goods market by

the Manchurian cotton goods market by Japan and England said in effect:

The trouble seems to be in the methods adopted by American manufacturers in distributing their goods. They have established their depot at Shanghai, from which point all their wares are distributed. This method is unsatisfactory to the small dealers of Munchuria, and the Japanese and British houses have been quick to recognize the situation and take advantage of it. Mr Fisher urges the necessity of American exporters sending energetic agents to Manchuria to push their goods, at the same time establishing depots in all of the large cities and towns in which a comprehensive, stock of cottons may be kept.

This is not an indictures.

kept.
This is not an indictment of Japan but of our own business thethods by an American consulan the Manchurian field.

in attacking Japan's action in rejecting the Knox railroad neitralization scheme.

any critic occupies indefensible ground if he assumes, us the Times appears to, that Japan's adherence to the open-door policy required her, even morally, to give the neutralization scheme favorable consideration, Japan's ownership and control of the South Manchurian railroad is pinas sailably founded upon article 6 of the treaty of Portsmouth and upon a subsequent convention negotiated, in conformity with that article, between Japan and China. The treaty of Portsmouth was a "triumph," let us remember, for the administration that preceded President Tafts. It had Mr Roosevelt's warm approval. The railroad went to Japan as a part of her legitimate fruits of victory which, after all, were not so extensive as the Japanese thought they deserved. Secretary Knox probably did not overstep the proprieties of friendly intercourse in politely asking Japan and Russia to amend the treaty of Portsmouth-for that was what his neutralization proposal amounted to-but he has no shadow of right to regard a refusal on their part to amend that treaty as in the remotest degree unfriendly to the United States. Mr Schiff and the Times, however, appear to think that we have a grievance. Nothing could be more absurd. If Japan and Russia insist upon keeping alive article 6 of the treaty of Portsmouth; it is their affair. It is a curione doctrine that nations may become malefactors by adhering to their own treaties.

It is doubtless true that Russia and Japan, by clinging to their treaty rights of rallroad possession in Manchuria, may of railroad possession in Manchuria, may disclose a settled purpose never to surrender them. But that can afford us no ground of complaint during the life of the lenses originally granted by China to Russia. Nor is it surprising that, being in possession of these railroads, Russia and Japan, should diplomatically oppose the construction of parallel lines under the real patronage of western powers backing financially the government of China. The United States would fight to prevent the United States would fight to prevent the construction of a competing interoceanic canal across the American isthmus. Russia and Japan feel in the matter of the Manchyrian railroads somowhat as the United States does concerning the isthmian water: war:

an water way:

If a case is to be made out against Japan or Russia in Manchutta, evidently proof must be offered in support of the contention that the open door principle is being disregarded to an extent that constitutes a serious injury to America. So long as that cannot be done, so long as one own consults estimates the treatment. long as that cannot be done, so long as our own consuls criticise the trade methods of American exporters as madequate to meet a perfectly legitimate commercial competition, why should we how and fume over the situation? Possibly the way to remedy it is to deliver the goods at a cheaper price in the style desired by the trade in the market we aspire to control.



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JAPAN AND THE UNITED STATES. It is unfortunate that Mr. Jacob H. Schiff, the influential New York banker who promoted the interests of Japan during the war with Russia by aiding in placing loans in this country, should have felt it necessary in addressing the Republican Club of New York city to give his sanction to the belief that relations between the United States and Japan are soon to be strained to the verge of war. The statement already has been seized upon by journals that hastened the United States into war with Spain and that are now clamoring for a big navy, and when read-by Japanese officials and the Japanese public this prophecy will increase that mood of alienation from the United States which Americans resident there admit is growing.

The ground for Mr. Schiff's pessimism seems to be his belief that owing to the apparent understanding between Russia, Japan and Great Britain in a common stand against China and her effort to acquire the control of Manchuria to which both Russia and Japan were pledged by the Portsmouth Treaty, the United States is perforce to be drawn into naval and military support of China and into enforcement of the trading rights of the United States in Manchuria to which our "open door" policy has committed us.

Unquestionably Secretary Knox's recent tactics have had the effect, desired by him perhaps, of forcing both Russia and Japan to reveal their real attitude toward China and the Manchurian problem, and they also have revealed Great Britain as willing up to a certain point to support her new allies in a policy that is difficult to reconcile, not only with her historic policy of "freedom of trade" but with her tendency through generations of diplomatic action in the Far East to stand with the United States in matters affecting it.

However, evidence on this matter is yet far from conclusive. As far as Great Britain goes, it has taken on the form of representations to Ambassador Bryce, which as yet only call for reconciliation of what seem to be conflicting testimonies as to what the British policy really is. Secretary Knox evidently had assurances before he sent his note to the Powers, relative to internationalization of the Manchurian rail, ways, which led him to believe that Great Britain would stand with the United States. If the British Imperial policy since that time, viewing the entire Asiatic situation, has been altered

then Washington will soon know it definitely and will act accordingly. An influential section of the British people may be counted upon to protest against such a decision if it proves to be a fact.

Assuming, for sake of argument only, that the Far Eastern situation is shaping up, with China, the United States and Germany on one side-for Germany will be alert to seize any such strategic opportunity which the occasion may afford-and Russia, Japan and Great Britain on the other, it by no means follows that (war is to follow, with Japan and the United States as the first combatants to be engaged. In the first place the United States, neither by Executive definition and proclamation nor by Congressional action, has ever recorded its intention to "fight" for the "open door" in China or by force to make operative any commercial policy which it may have in the Far East. Nor is there any public sentiment which would support Washington officials in such a revolutionary policy. In the second place, the United States and Japan are formally bound by treaty to settlement of issues between them by arbitration so far as is possible after diplomacy has failed. Last, but not least, neither Japan nor the United States, but especially Japan, staggering under the burden of taxation following the defeat of Russia, is seeking a cause for war.

At the present time when American and Japanese statesmen refer to the future relations of the two countries, they invariably pledge continuance of the traditional relations of peace; and they are sincere in so doing. If war ever comes between them it will arise from complications following race clashings on the Pacific coast, or from Japan's forcible interference with the Phillipines or Hawaii, or through some failure of responsible officials in Washington to remember that Japan has a sensitive national pride which has limits to the extent to which it can be flouted. But the United States will not to war with Japan over American traders' bankers' rights in a province of China. On the other hand, Japan will do well to understand that an alliance by her with a traditional and recently defeated foe like Russia for the sake of blocking legitimate commercial ambitions of the United States in Manchuria will not be overlooked, cannot be forgotten by us and may have consequences far reaching in their effects. even if it is not a direct and immediate cause for war.

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"Journal of Commerce" New York. March 9, 1910.

# VISIONARY RUSSO-JAPANESE COM loan guaranteed by the Powers on the working of the railways. An inter-

Something like bewilderment must be the state of mind of the ordinary reader who tries to extract information from the daily batch of statements in regard to negotiations for the construction of new railroads in Northern China and Mongolia. An additional feeling of amazement must be excited by the perusal of some comments made at the luncheon of the Republican Club last Saturday on the international situation which has grown out of the discussion over the Manchurian railways. One of the speakers on that occasion announced with impressive seriousness how greatly mortified he had been to learn a few mortified he had been to learn a lew weeks ago that Japan had joined hands with Russia—"Russia the enemy of all mankind." In the judgment of this observer, Russia and Japan have only one purpose in this union; they want to keep China in a state of vassalage. To make matters worse, "perfidious Albion." while professing to be the enlightened friend of all mankind, is a party to this compact. We learn further from the same authority that this understanding between Russla, Japan and England will constitute, during the next few decwill constitute, during the next lew dec-ades, the world'e greatest menace, and that if we fall to show just the right statesmanship to defeat the purpose of Japan and Hussia, "we Americans" will be drawn into Far Esstern affairs in a very disagreeable manner. The Hobson school of scare-mongers have had nothing to present quite so terrifying as this. The Japanese bogy in purely native costume was terrible enough, but, wearing the trappings of the militant Russian and Briton besides, he becomes an apparition capable of shaking the nerves of the most phlegmatic.

But what, in fact, has happened in China in regard to railroad construction or any other question that might furnish an excuse for men of reputed sense talking stuff like this? In the first place, Mr. Knox's proposal for the neutralization of Manchurian railways was courteously declined both by Russia and Japan. This neutralization was to have been effected by the sale of these railroads to China, thirty years ahead of the date when she will have the right to acquire possession of them. The necessary funds were to have been supplied from the proceeds of an international

working of the rallways. An inter-national board would then, presumably have taken charge and the lines would be administered on a purely business basis. It was believed that all misgiv ings with regard to the application of the policy of equal opportunity in Man-churia would thus have been removed, and that the danger of further hostilities in the Far East could have been practically eliminated by closing the railways to the transport of troops and munitions of war. In the disinterested opinion of the world the scheme was an excellent one, but the crude method of its presentation, without previous com-munication with either Tokio or St. Petersburg, was generally regarded as another example of the maladroit diplomacy of Secretary Knox. Undeterred by this failure, our Department of State continued its activity as the promoter of international railroad schemes in Manchuria, by lending its support to the construction of a railroad from Chinchow to Aigun via Tsitsihar. The capital required for this was to be \$25,000,000 and a peculiarly altruistic aspect was given to the enterprise when it was ennounced that while Am-erican financiers held themselves responsible for furnishing the capital, the building of the railway was to be entrusted to a British firm of railway contractors. This firm was understood to be the same as that to which China had given the concession to build the Hsinmintun-Fakumen line. As China was quite able to pay for the construction of this addition to her Northern Railway system out of surplus funds accumulated from its operation, it was surmised that the Fakumen concession was a characteristically Chinese way of trying to array the support of Great Brit. ain in favor of an undertaking likely to meet the disapproval of her ally-

The British Government refused to be drawn into the trap, and China and Japan came to an independent understanding about the conditions under which the short line to Fakumen and its subsequent prolongation might be constructed. When the same enterprising firm of contractors reappeared in the Chinchow-Algun scheme, backed this time by the American Government, ill-natured people were ready to assume that Mr. Knox had been found more ductile or more credulous than Sir Ed-

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mercially, financially, or politically, in Manchuria. How far are the American people willing to go in backing the desires of American financiers to find a safe and profitable investment for their money in Manchuria? Before they make up their minds, should they not demand and receive an authoritative, comprehensive, and exact account of all the facts in the case, and of the relative value and weight of all of the factors?

PURPOSE IN JACOB II. SCHIFF'S PREDICTION Jacob H. Schiff undoubtedly had a purose in making his grave prediction of a reat struggle over trade, in which it seemd to him probable that the United States, apan, and other great Powers would be avoived. He is not given to wild and whirling words. He must have known that what he said would go all over the world, and that great importance would be attached to it; that his remarks would cause lisquiet, and arouse suspicions and fears hat had better be left quiet unless fully and publicly justified. It would be most ielpful and effective in forming a correct conclusion if Mr. Schiff would now disclose he reasons, and the facts upon which he receted his prediction.

Nothing is so striking about all of this alk of future trouble with Japan as the inlire absence of facts which would justify suspicions of Japan's intent not to deal lairly by us. The State Department may ave such facts, though its responsible officers have affirmed time and again, and so still affirm, that they have not. Suspicions and rumors, and fears and inferences, and deductions of an alarming nature exist without number. But what the man in the street lacks is a simple narrative of facts which he may apply as a test to the forbidding conclusions of the suddenly acquired crop of Far Eastern "experts' which the United States now possesses."

An excellent piece of advice is offered by a responsibly placed person in the State Department: "Discount by 50 per cent. all of the alarmists' reports and reserve judgment on what remains." This same advice is transmitted to everybody who is interested in developments in Manchurla, and who has no first-hand sources of information. It is advice worth taking. For example, it is very gravely alleged that, "the principle of the open door has been professed with an amiability of utterance that left nothing to be desired, while at the same time complaints are being received from our merchants, from our consula epresentatives, and from various sources of discriminatory treatment to our present disadvantage, and altogether inconsisten with the principle of equality."

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FACTS TO WARRANT ASSERTIONS LACKING.

Where are the facts to warrant these ssertions? Where are these complaints being received? What are the names of the persons who are complaining, and to whom have they complained? Specifically, what disadvantage have they suffered, and when and how and where have they been discriminated against? None of this information is of record in the State Department. It is explicitly declared there to your correspondent that no supported claim of discrimination has been reported to the department by any diplomatic or consular officer in the East or by any merchant or commercial interest seeking to do business in Manchurla. It is even further declared that no complaints are on file made by American commercial interests of discrimination against them.

The cally thing known to the State Department that would even warrant such a charge is a report made by our consul, Mr. Cloud, from Mukden, which was made public last November. That report charged discrimination in general terms, but alleged no specific instances, giving names and details. It seems not to have been accepted at its face value by the State Department. Mr. Cloud is no longer in the consular service, though it is not alleged here that the nature of his report led to his retirement.

Even the most intelligent section of the popular mind in the United States is in no position to form a just and correct conficusion of our duties and our rights in the Far East because of a lack of facts, of any incomplete understanding of the situation that exists, and of the alms and motives and claims of the contending factors. Facts are needed. Negotiations are going forward between our government and other governments in an endeavor to find a basis, of general understanding and settlement with relation to the exploitation of Manchuria. Some of the facts have become known, but not all of them.

The State Department is estopped from making a complete public presentation of its case. Without regard to whether what Mr. Knox has done has been wise or unwise; without regard to whether he has blundered or not in what he has done, he is in no position to justify his course or to make public all of the motives and facts which led him to act as he has acted. The State Department always suffers under this disadvantage. The secretary of state cannot conduct the affairs intrusted to him in the open light of day as can the secretaries of the other executive departments. He must necessarily have his own secret;

and the secrets of other governments which have been revealed to him in confidence. He must stand or fall by the results he obtains.

#### KNOX'S SECRET BETRAYED BY RUSSIA.

There is no intention here on the part of your correspondent of presenting a brief in defence of the Manchurian policy of Secretary Knox, but it may be properly noted as upholding the assertion that facts should not be lost sight of, how the proposal for the neutralization of Manchurian railroads came to be made public. It has been said rather summarily: "In the disinterested opinion of the world the scheme was an excellent one, but the crude method of its presentation, without previous communication with either Tokio or St. Petersburg, was generally regarded as another example of the maladroit diplomacy of Secretary Knox."

This is most unfair. There would have been no publication of the proposal had not Russia broken faith. The first news of the plan of Secretary Knox came from St. Petersburg, to the profound astonishment of the State Department. Secretary Knox has been criticised for not "sounding" Tokio and St. Petersburg. It was the confidential communication "sounding" the Russian government which was made public at St. Petersburg, whether with the collusion of Japan has not been disclosed.

The communication of Secretary Knox which was allowed to become public at St. Petersburg did not fiatly lay down a proposal for the neutralization of railways in Manchuria. It inquired what the governments to which the proposition was submitted thought of the feasibility of a proposal to neutralize the carriers. This communication was couched in correct terms, the usual procedure was followed in submitting it to the governments interested, and it should never have become public.

For reasons which cannot be learned the Russian government disclosed to press correspondents at St. Petersburg that Secretary Knox had made, such an inquiry. The exact terms in which the inquiry had been couched were even made known to the correspondents, so that when Secretary Knox read the dispatches from St. Petersburg in his morning newspaper one day in the first week of last January he knew at once from their text that the Russians had taken an unusual and violently incorrect way of letting the State Department know that they did not give the proposal their assent. It seems inevitable that some day it will become known whether or not Japan

was consulted before the confidential communication of Secretary Knox was thus abused at St. Petersburg.



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JAPAN'S SHARP OUTCRY.

There was an immediate and sharp outcry from Japan when the terms of Secretary Cnox's inquiry about neutralization of the lines became known to the press and public there. Public sentiment rejected the pro posal instantly, and it was vehemently as screed that Japan had bought her railway privileges in Manchuria by vast expenditure of "blood and treasure," and was o no mind to dispossess herself of any part of them for any consideration. This must have read curlously to the many men in the financial district of New York city Wh know that the late E. H. Harriman held for some time an option on two of the mos mportant of the south Manchurlan railway lines cwned by the Japanese, and which be longed to the group which it was proposed to neutralize. The persons who had this knowledge must have found it difficult to reconcile the Japanese attitude with the fact that these "blood and treasure" bought lines had been on the market for sale, and that Mr. Harriman had had an option which would have permitted him to have taken them over and made their ownership inter-,

Knowledge of the option beld by Mr. Harriman has not been common property, and yet it has a distinct bearing on the situation leading up to the inquiry made by Secretary Knox, which was prematurely disclosed by Russia, and which was rejected by the Powers most interested. Perhaps, there are other facts just as salient and just as necessary in forming a correct judgment, which are still undisclosed. What is sought to be established now is the necessity for bringing forward in their proper perspective all the facts and factoral upon which this regularly recurring vague talk of trouble in the future is based.

#### SYSTEM IN THE WAR ALARMS.

There seems to be no doubt that there is a systematized plan behind these vague and horrld panorama's of evils to come that are presented from time to time to arouse the public mind. Why is it being sought to arouse antagonism in this country against Japan, and who is doing it? If that question can be authoritatively answered much will have been accomplished. Specifically and in detail, how and where is an effort being made to cripple and prevent the expansion of American trade in-Far Eastern markets? Who of our merchants have been discriminated ngainst, and when, and in what manner, and by whom?

These questions should be honestly and fully answered by somebody speaking with a voice of authority before we let our passions and our tempers run away with our judgment. It is all very well to talk about the "situation" being tense, but first what is the situation? Maybe it will relax inder the beneficent influence of a steady light.

E. G. L.

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It would make it next to impossible for American warships to attempt landings in Japan, because the empire's forces will always be ample to resist an invasion. It is also figures out by Japanese experts that the need of retaining any section of the fleet in home waters is purely nominal, because the army is more than snificient to protect the coast at any given point.

Depriving the United States of the Philippines and closing the Pacific to her in the imaginary line of division followed by longitude 180 degrees east of Greenwich, would impose additionally the state of the contingencies and the particular contingencies. Any attempt to the contingencies and any attempt to the far East by way of Suoz might mean encountering a Japanese fleet as did Rojestvensky's when passing by the same route.

#### Russia Would Contribute.

It has also been considered by dip-

It has also been considered by diplomats that Hawaii would fall under Japan's control. There are already many thousands of Japanese occupying the islands.

The document embodying these plans consists of sixty-two pages and has several maps. It states that the possibility of sending soldiers over to the United States does not exist, because Japan's alm is not to subjugate this country, but to break American supremacy in the Far East.

Russia will contribute readily to this arrangement, while England has been bound hand and foot with the alliance.

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" Evening Post," New York. March 11, 1910



#### WALL ST. AND MANCHURIA

INFLUENCES BEHIND RECURRENT ALARMS ABOUT JAPAN.

Indications that the American Public Mind Is Being Used as a Pawn-Schemes for Exploitation of Manchuria by Capitalistic Groups-Absence of Facts About Discrimination Against America to Justify Portentous Predictions - Harriman's Option on Manchurian Railways.

| | Special Correspondence of The Evening Post. | WASHINGTON, March 10.-Influences clearly have been at work in this country for the past four or five years, as has been Intermittently demonstrated, and are at work now, which if persisted in will inevitably create a state of public mind hostile to Japan, and finally may embroil the two countries. What these influences are, and what are the motives and purposes underlying them, have not been clearly disblosed. For a time it was commonly believed here that forebodings of the imminence of a clash with Japan were set on toot by persons who had a selfish interest in bringing about the appropriations of great sums of money for battleships, munitions of war, and coast defences. It was hoted that these scare-mongers, whoever they are, always became particularly active while the naval appropriation bill was under consideration in committee, and that the "scare" continued until the bill was safely through the House. Since 1906 this pecuitar coincidence has been a regularly returring phenomenon. Even at this time the coincidence has not failed.

It is now suspected that the influences which have been seeking to instil into the public mind suspicion of Japan and of her attitude toward this country are rerelying formidable assistance and coopera-tion from sources hitherto not interested. It is beginning to be said that exact in-formation as to the identity of the present influences behind the anti-Japanese propa-ganda and their motives and purposes should be sought in Wall Street and its environs. There exists a feeling, which is rapidly growing, that the blind passions, and prejudices always latent in the public inind are being excited for some end which, if successful, will accrue to the personal barichment and financial aggrandizement of a small group, and which, if unsuccessful, will be paid for more or less dearly by the country at large.

AMERICAN PUBLIC BEING USED AS PAWN. It is strongly felt here by many persons who have continuously and diligently sought light and information, and, above all, concrete facts, about the "Far Eastern lituation," that a game is being played in which the American public mind is being used as a pawn, and that manœuvrlngs are ir progress of which the end is being kept from the people of the United States. In other words, it is sought to enlist public sentiment and public support to a movetoent the aim and extent of which is known only to its prime movers and directors. It is clearly desirable that no obstacle should be put in the way of the investment of American money in foreign countries on the same terms and with the same privlieges accorded investments made by citiequally clearly desirable that the people of the United States should have an exact and full knowledge of the facts before they are called upon to support and to allow the use of the prestige and forces of the Federal government to aid any plans having for their end the participation of American capital in countries over seas. American capital in countries over seas.
Manchuria is concededly a fruitful field
for exploitation. It has been shown that
capitalistic groups in England, France,
Russia, and the United States are willing, perhaps eager, to invest large sums money there. Japan is of course a vitally interested party in any development, com

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#### Our Commercial Interests.

#### RYAN PRAISES UNIVERSITY

MY AN PRAISES UNIVERSITY

Mr. Ryan, president of the Girard Avenue Trust Company, delivered the Introductory address, in which he gave a sketch of the university. He said:

"This great school has never sought charity and never received city or State aid. It has worked out its own destiny and builded of itself and from itself, but ever doing during all these years your work and mine. It has been a power for untold good and no institution in all the Commonwealth deserves more substantial

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"Evening Journal"

New York, March 9, 1910

# HAS JAPAN'S W<del>ar P</del>lans

Washington, March 9.—The State Department to-day is in possession of Japan's naval plans against the United States in the event of war. These plans were obtained by a secret agent at Toklo and were transmitted as a copy to Washington.

and were transmitted as a copy to WashIngton.

The situation to-day is officially intense. The reticence of State Department officials seems to lack the stereotyped indifference of: "No comment to
make." They decline to discuss the situation at all. That important diplomatic
exchange is rife between Secretary Knox
and Ambassador Uchida of Japan is evidenced by the frequent visits of the Japanese officials to the department.

Diplomats throughout the Capital consider Jacob H. Schiff's speech of a few
days ago as tantamount to an open disavowal that the empire can secure funds
in the United States in the future.

"Peage of World Rests with U.S."

"Peace of World Rests with U.S." A certain Ambassador, when asked to-day to comment on the plans of Japan

"The peace of the world for the next five and even ten years lies entirely with the American State Department. It pivots upon the Far East, and Japan has played her hand. It is for the United States to reach the final decision." The plans, of Japan are considered as beyond the sphere of failure in the event they are carried out. Japan has counted upon her own strength by her rejection of the Knox proposal to equalize the commercial advantages of Manchuria.

It was learned in financial circles,

Japan Has American Gold.

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Japan Has American Gold.

About 70 per cent of the Japanese bonds are held in America, present estimates have it, which means American gold in Japan's pockets. Who is going to collect, and how? is the question said to have prompted Mr. Schi's utterances. Confidential communications to their home Governments, sent by the diplomatic representatives of five of the powers, indicate the gravest consideration of the present relations between the United States and Japan. The dominant note is one of apprehension.

Facts collected by a secret agent at Tokio reveal the plans made by Japan some months ago and put away for use when needed. Japan is apprehensive as to the outcome of a growing anti-Japanese propaganda in American official dom, and the reply to this sentiment has been the compliation of offensive and defensive plans in case war should be declared.

Japan's War Plans.

Japan's War Plans,

To give color to this assertion, diplomats refer to the fact that Japanese plans for fighting Russia were completed about eighteen months before the rejected ultimatum was sent out. The practise on the field proved their worth. For this reason, of theoretic accuracy, the secret agent considers the plans against the United States as of great value.

Could Not Land in Japan.

The United States, basing all of this upon the actual fighting power of the two countries to-day, could not send enough warships to the Far East, while Japan, provisioned at home, has also the added advantage of an intimate knowledge of Pacific waters. This tends to deprive American ships of suitable ports of refuge.

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"LEDGER"

Philadelphi, Mar. 13,1910

### FOUNDER'S DAY AT TEMPLE UNIVERSITY

Friends Give \$95,000 Toward Endowment Fund, Dr. Con-

well Announces.

LESLIE M. SHAW SPEAKS

Former Secretary of the Treasury Sees War With Japan Over Oriental Trade.

In addition to conferring degrees, the announcement of the receipt by the institution of a sum exceeding \$35,000 during the past year, together with the proposed increase of the endowment fund of the institution to \$150,000, formed the feature of the Founder's Day exercises of Temple University, held in the Academy of Music yesterday afternoon. It was the 24th anniversary.

There was pronounced appliance among

yesterday afternoon. It was the 24th anniversary.

There was pronounced applause among the many friends and patrons of the institution, who almost completely filled the Academy, when the Rev. Dr. Russell H. Conwell, president of the university, declared that a total of \$76,629.48 had been received from the student body, alumni, faculty, board of trustees, women's auxiliary committee, friends and by bequest. By the same supporters, he added, there had been subscribed \$19,-212, which with the contributions swelled the fund to \$55,57148. Appeal was made for an earnest effort to increase the endowment fund to \$150,000 by December 31 next.

Honorary degrees were conferred upon four men distinguished in legal, official and religious work. They were: Robert von Moschzisker, Associate Justice of the Supreme Court of Pennsylvania; William Jasper Spillman; agriculturist in charge of farm management investigations, Bureau of Plant Industry, United States Department of Agriculture, who received

the degree of LL. D., and the Rev. Gash-erie De Witt Dowling, dean of the Prot-estant Episcopal Cathedral at Fargo, N. D., and the Rev. James Little, upon whom was conferred the doctor of divinity de-gree. gree.
Sees Menace in Japan.

Sees Menace in Japan.

Leslie M. Shaw, former Secretary of the Treasury, president of the First Mortgage Guaranty and Trust Company, of this city, delivered the oration. Michael J. Ryan presided.

The menace of Japan was the feature of Mr. Shaw's address. Taking for his subject "Evolution in Matters Governmental," he said:

"There is not a cause of war, except religious fanaticism, that has ever existed from the dawn of creation that does not now exist in an intense form between the United States and Japan. The latter nation has said, and does not deny it, and will tell it to you and to the world, that she proposes to dominate and control the commerce of the Pacific Ocean or the Pacific Ocean will run red. Take your choice. We may want some of that commerce some time, and there will be but one way to get it."

Beginning with the formation of the colonies, Mr. Shaw traced the growth of the Government of the United States. Continuing, he said:

LESLIE M. SHAW'S ADDRESS

#### LESLIE M. SHAW'S ADDRESS

LESLIE M. SHAW'S ADDRESS

"Forty years ago we only had onefourth as much foreign commerce to carry
as we have now, but 40 years ago."

actually carried three times as., a.
tons in our own ships as we carry n
Four times as, much to carry, and we can
one-third as much. We have taken can
of everything, but not merchant marine
The strip of the past.

"Beyond the Pacific Ocean are a little
beyond the Pacific Ocean are a little
per of the past of the past.

"Beyond the Pacific Ocean are a little
per occupying small territory. They
are small critically are only a little
harder than armo,
men boast that they are only a little
harder than armo, and labor laving
very much territory and labor laving
very much territory and labor laving
cheap, they can build merchant ships
cheaper than any other country, and they
can operate them cheaper. Wages are a
little higher there than over in China.
Five dollars of our money, you know,
pays 60 men for a day's work in the
Yang-tse Valley—30 for 60 days' work.

"When we manufacture more than we
can sell it will paralyze everything. We
have a wonderful foreign commerce, but
it consists very largely of food and raw
cotton and other raw material. Of our
enopout our can pile 90 per cent. of them
after them before they spoil.

"But you can't pile manufactured good"

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#### Easter Song BY CLINTON SCOLLARD

EASTER!—and the umber mold Feels a kindling thrill of gold,—Gold upon the willow tips, Gold upon the crocus lips; Feathery gold of catkin-ore, And the colt's-foot by the shore!

Easter!—and the bluebird's wing Shows an azure shimmering; On the robin's breast there glints Presage of the rose's tints, While the grackle's prismy throat Glistens with each warbled note.

l'aster!—and the lyric stream Wakens from its winter dream; Every strain the south wind breathes Some fond prophecy bequeathes; Every bough, a throbbing lyre, Voices some aroused desire.

Easter!—and the wondrous clue
To the marvel ever new—
Earth's renascence, wherein we
See revived mortality,
As in root and branch and bole!—
Easter—and the quickened soul! CLINTON, N. Y.

### The Cost of Living.—VII.

[This is the seventh article in our series on the increased cost of living. Those already having appeared are: "The Remedy for High Prices," by Prof. J. Pease Norton (February 10); "The Crisis in American Home Life," by Prof. Simon N. Patten (February 17); "The Tariff and the Cost of Living," by Byron W. Holt (February 24); "An Old Fashioned Theory of Prices," by Professor Franklin H. Giddings (March 3); "Prices and Incomes," by John Bates Clark (March 10); "Economy in Diet," by Russell H. Chittenden (March 17).

#### Does Increased Gold Production Increase Prices? BY STEWART BROWN

[Mr. Brown is a New York banker of wide experience in Great Britain and in this city. Finance he has made his especial study, and he spent three years visiting all the leading countries of the world investigating their banking and financial conditions.—Editor.]

IN examining this question, I start from the original foundation of all com-

wint of exchange" being weights, quantities and numbers, and the vehicle of exchange being the wagon.

Village life evolved and produced the general storekeeper as the clearing house for exchange of existing "commodities," "so much for so much."

Next appeared the delivery by the storekeeper to consumers of certain existing "commodities" in exchange for "future delivery" to him of certain other then non-existing "commodities," the "unit of exchange" being weights, quantitative basis of the exchange value of "commodities" was labor. The law of supply and demand in exchanging "commodity" exchange.

Next appeared "coined gold" as the medium of exchange.

Up to this point gold, each by weight, but the basis of the exchange value of "commodities" was labor. The law of supply and demand in exchanging "commodity" exchange.

Next appeared "coined gold" as the medium of exchange.

Up to this point gold, whether exchange was only a "commodity" and any exchange by weight or at its face coinage value, was only a "commodity" and any exchange.

Up to this point gold, each by weight, but the basis of the exchange value of "commodities" was labor. The law of supply and demand in exchanging "commodity" exchange.

Up to this point gold, each by weight, but the basis of the exchange value of "commodities" was absolute, as was the "quantitative" theory of "commodity" exchange.

Up to this point gold, each by weight, but the basis of the exchange value of "commodities" was absolute, as was the "quantitative" theory of "commodity" and the produced the produced

The early settlers exchanged existing "commodities" among themselves, the "unit of exchange" being weights, quantities and numbers, and the vehicle of exchange being the wagon.

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that deprived Japan of the most valued of her conquests over China. She was forced to surrender Port Arthur and the Liaotung Peninsula, which she had purchased with an enormous sacrifice of blood and treasure, and underwent a humiliation in the hour of her triumph over the beaten foe such as no selfrespecting nation could be expected to forget or forgive. The immediate cause of the breaking out of hostilities was Korea. Japan could not permit the occupation or control by Russia of that help-less and dependent country without the ultimate loss of her own independence. The world cannot reproach her, under the circumstances, for her courageous challenge of the Giant of the North. And the close of that war afforded her an opportunity to manifest her regard and respect for the United States. In the hour of her triumph, when she had driven the last Russian army from the field, she heeded the call of President Roosevelt for peace and sent her plenipotentiaries to negotiate on our soil.

No nation controlled by sane rulers and advisers ever enters willingly upon a war which is likely to prove disastrous to its interests. Japan could hope for no adequate compensation as the result of a conflict with us. Even if it were possible to destroy our navy, her forces could make no permanent lodgment on our shores. But her military and naval men understand full well that it would be a hopeless task to send a fleet across the broad Pacific to invade our territory or to attack the American navy. Besides, a war with us would mean the destruction or paralysis of her vast mer-chant marine, built up with so much cost, time and labor. Lines of Japaneseowned steamships of most modern construction are now maintained to Siberia, Korea, China, Formosa, India, Australia, Europe, Seattle, San Francisco and Spanish-American ports. These lines represent a vast amount of Japanese invested capital, large Government subsidies, and the employment of many seamen. Japanese statesmen fully understand that in engaging in a war with the United States they would leave in the rear two inveterate enemies, Russia and China, ready to avenge their defeats,

Even a bankrupt nation under patriotic impulses might rush into a conflict which meant certain destruction, in order to defend its honor or its independence; but wise rulers usually do not deliberately go to war with a foreign power without first counting the cost, and being assured that they have resources sufficient to maintain the contest. Japan is in no condition to carry on a war with the United States for financial reasons. The Russian war strained its credit to the utmost. It now carries a national debt heavier in proportion to its population and resources than almost any other nation, being \$21.50 for every inhabitant; and the taxation is estimated to be 20 per cent. to 25 per cent. of the people's income. Baron Shibuzawa, the head of the commercial delegation which recently visited our country, says: "The present rate of taxation in Japan is inpresent rate of taxation in Japan is in-deed extremely high, and more than the people at large can bear." A similar declaration is that of the Kokunin Shimbun, a leading journal of Tokio: "The heavy debts of Japan are more than the nation can endure." Notwith-standing the Imperial Diet is usually substanding the Imperial Diet is usually subservient to the wishes of the Government, the last budget of the Cabinet was reduced by it \$5,000,000, and a further reduction of the land tax is demanded A war with the United States would call for a larger financial outlay than an which the Island Kingdom has ever heretofore experienced. In the present condition of its revenues, well might the late Ambassador to the United States declare, "War with America is impos-There are other controlling considera-

tions which make a war with the United States on the part of Japan suicidal macness. It finds not only its best but the chief market for its export products in our country. To destroy the silk and the tea industry of Japan would be to bring incalculable distress upon its people. Over 70 per cent. of this trade comes to us, and its destruction would mean bankruptcy to the leading indus-

Japan is largely dependent for its food supply on foreign sources. The islands proper only have in cultivation

25,000 square miles' (and this largely in tea and silk), less than the area of a single one of our smaller States, with a population of approximately 45,000,000. It may readily be seen how a war with our country might materially affect this supply, bring great distress upon the inhabitants, and seriously cripple the

The great need of Japan-in fact, a necessity to its existence as a nation-is a long era of peace to enable it to carry out its administrative program, develop its resources and establish its credit on a secure basis. In addition to its internal problems, which are by no means insignificant, it now has on its hands the assimilation of the large island of Formosa with its Chinese population, the government of the suzerain kingdom of Korea, and the administration of its complicated interests in Manchuria, a heritage of its late war with Russia. These are sufficient to tax to the utmost the wisdom of its statesmen, and are likely to need the support of its army and navy. It would be the hight of folly to imperil this program by a war with the United States.

It has been suggested that the alliance of Great Britain with Japan, which still exists under treaty stipulations, would enable Japan to act with a free hand toward us. This alliance cannot change the 'conditions above described which nake war on the part of Japan almost impossible, but the British alliance can never lead to a war with America. What it is likely to do is to support Japan in its opposition to certain projects for the exploitation of Manchuria. The competition or strife for concessions in China should not be permitted, and is not likely to ruffle the friendly relations of the respective governments, and certainly ought not to result in hostilities. The British-Japanese alliance should more properly be regarded as a guaranty of peace in the Pacific. Neither the present nor any possible Ministry in London would encourage or permit an aggressive war by Japan upon the United States. If the state of affairs in the Far East in itself did not counsel against it, certainly the interests of the two

Indebtedness is acknowledged for a number of facts and statistics to a recent publication in Japan by Rev. I. Loomis, long a resident there.

it. The two most friendly nations on the earth are and should ever be the United States and Great Britain. Hence we must interpret the Anglo-Japanese alliance as a pledge of peace for us as well as for the allies.

THE JAPANESE WAR SCARE

The foregoing review of affairs in the Far East has been given in the hope that it may quiet the fears of any Americans who have been made anxious by certain of our orators or after-dinner speakers and by press reports that a war with Japan was certain and was imminent. But such a review is a work of supererogation if there exists between the two peoples a sincere and cordial friendship. Certainly with the great mass of Americans there is no other sentiment toward Japan than the most friendly feeling. No one who will investigate with an open mind the state of public sentiment in Japan can reach any other conclusion than that a similar feeling of friendship prevails there toward America. The Japanese Minister of Foreign Affairs, Count Komura, doubtless reflected the real sentiments of both his Government and people when he said recently: "The friendship between Japan and the United States is of traditional standing, and it is absolutely essential to the common interests of both states not only to maintain unimpaired those sentiments of amity, but to extend and strengthen them by every possible means." And his latest utterance is still more emphatic: "I am convinced there is nothing in American-Japanese relations to cause uneasiness. War is inconceivable. It would be a crime without excuse or palliation. Our late Ambassador at Tokio, Gen. Luke Wright, said on his return: "The talk of war between this country and Japan isn't even respectable nonsense. Japan no more wants war with us than we want one with her; and the idea that there is an impending conflict is ridiculous." The testimony of these distinguished statesmen will have more weight with the American people than the orators and writers who are clamoring for a larger army and a greater navy to resist the coming Japanese invasion.

## The Japanese War Scare

BY THE HON. JOHN W. FOSTER

[His experience as Secretary of State, and in a large number of diplomatic relations, gives Mr. Foster especial authority to treat of a subject which needs public consideration at the present time.—Editor.]

THE renewed talk of an impending war between Japan and the United States, which seems to It is true the foregoing are merely have received a fresh impetus of late, is worse than nonsense—it is wicked. It is absolutely without foundation and without reason. There is no danger of war, but there is danger that the continued agitation, especially by men of standing and by the responsible press, may lead to irritation and estrangement where there has been heretofore har-

mony and warm friendship. It is hardly conceivable that hostilities between these two peoples should be the culmination of more than half a century of active good will and cordial and intimate relations; a period marked by many acts of international friendship. Besides the notable event of Commodore Perry's mission, our Government for many years stood alone in advocacy of the release of Japan from its exterritorial vassalage to the Western Powers. It returned a war indemnity which other Powers withheld. Japan showed its appreciation of our friendship and its conridence in us above the European Powers by entrusting its interests in China and Russia to our ambassadors and consuls during its war with those countries. Americans contributed largely to the development of Japan in modern government and society. Many Japanese have been educated in American schools and have returned to take a prominent part in administration, cherishing cordial feelings toward our country. Considerable numbers of American missionaries are laboring in all parts of Japan. Not long ago the whole body of them signed a statement that the Japanese people had faith in the traditional justice and equity of the United States, and that they regard the Americans as their truest and best friends. Recently the leading journal in Yokohama said: "Before engaging in a war with America Japan would have to divest herself of the strongest sentihave returned to take a prominent part

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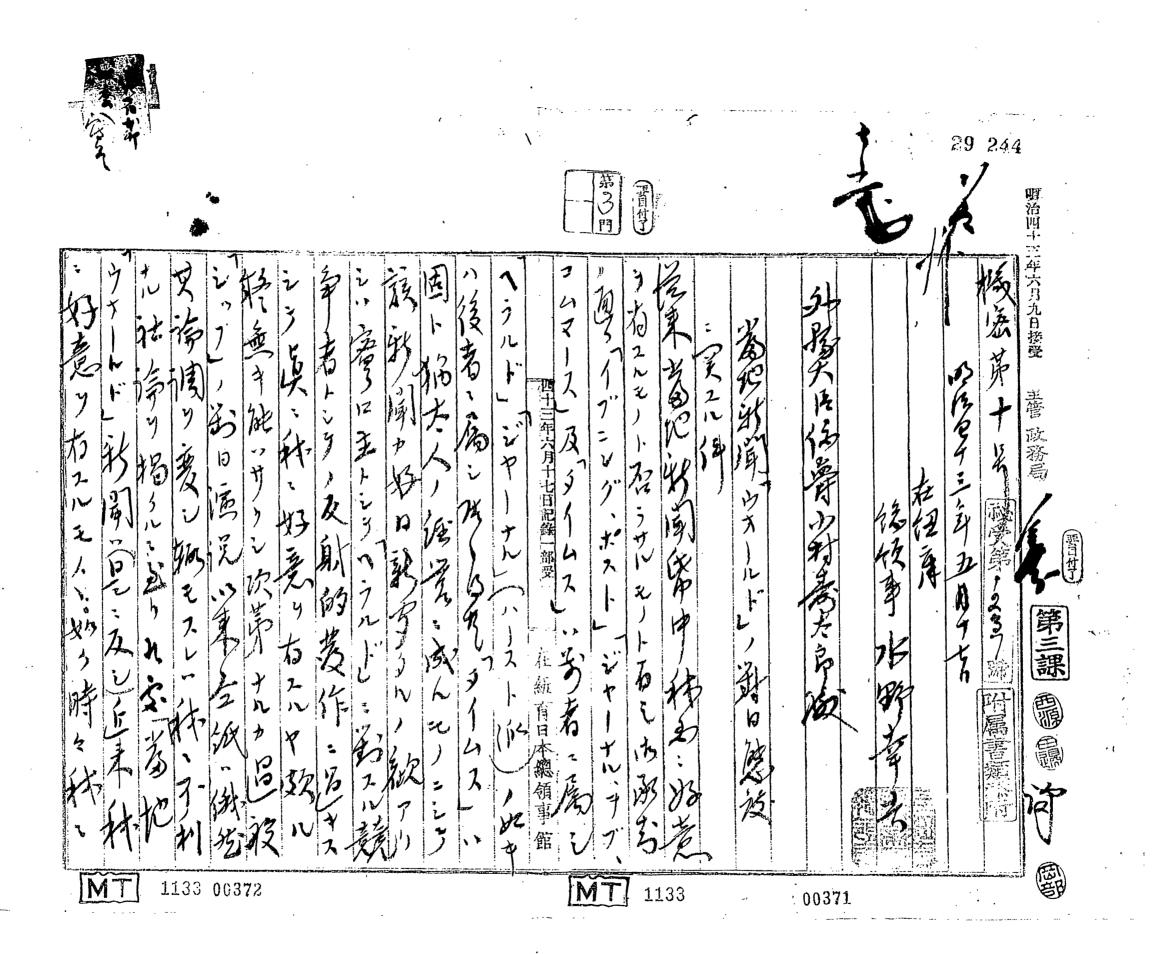
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sentimental reasons for preserving the peace, but they are not without weight among intelligent and well-meaning people. Between nations entertaining such sentiments nothing but a question of the gravest importance can lead them into hostilities. There is no such question existing or likely to arise between us and Japan. Immigration is the only matter about which there has been any indication of divergence of views, and that should not present any trouble between the authorities of the two govern-ments. Under international law and usage every nation has the right to de-termine for itself what class of foreign immigrants it will admit into its territory. Japan has recognized by treaty the exercise of this right as against laborers, and has undertaken to restrain such immigration. If she should fail at any time to discharge this duty, the United States would be entirely justified in exercising it and the country to the control of the c in exercising it, and there would be no occasion for displeasure on the part of Japan unless it should be exercised harshly and with injustice.

The Japanese are a patriotic and brave people, but they are not, as is alleged, an aggressive nation, as an examination of their history shows. For more than six hundred years, up to the war with China in 1894, Japan had lived in peace with all foreign nations. No country in

divest herself of the strongest senti- point, seemed inevitable. It was Russia

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-S.Y. Liberty

Naples, April 24. 29 247

Dear Seitz:-

I am just; sailing and have only time for one point. In making up the list of vacations ( <u>Most</u> carefully I hope) with White's and Seymour co-operation, you must put yourself on the list for at least a month. I do not like debts and I cannot forget that you sacrificed your vacation last winter a year ago. Indeed, if you contemplate a longer trip, to which you are certainly entitled, I shall be glad to extend the time. Anyway send me the list <u>if</u> there is time before I sail across.

With warm regards

Faithfully yours,

( signed )

Joseph Pulitzer., P/N.G.T.

P.S.

7 8

I wonder whether you would really fully appreciate the possibility of a trip to Japan as combining vacation with work, at my expence of course. I am determined to send someone out for a month to study the country with a view upon the outrageous fales cry of possible war.

Dont consider this more than a hint as I mean to give Cobb <u>first</u> chance if he should be enthusiastic about it. It is the most intresting country in the world. If, however, neither of you are enthusiastic talk it over and suggest somebody else who is really capable, well informed and in sympathy with anti-jingoism. I think it could be made of great service to the country in dispelling preposterous ideas now so outrageously propagated by Schiff, McClure and Hobson and men much higher up. MT 1133 00376