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FAR EASTERN TRADE OF THE UNITED STATES

FAR EASTERN TRADE OF THE
UNITED STATES

By

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FOREWORD

This study forms part of the documentation of an Inquiry organized by the Institute of Pacific Relations into the problems arising from the conflict in the Far East.

It has been prepared by Dr. Ethel B. Dietrich, Professor of Economics, Mount Holyoke College.

The study has been submitted in draft to a number of authorities including the following, many of whom made suggestions and criticisms which were of great value in the process of revision: Mr. William W. Lockwood, Jr., and Mr. Jack Shepherd.

Though many of the comments received have been incorporated in the final text, the above authorities do not of course accept responsibility for the study. The statements of fact or of opinion appearing herein do not represent the views of the Institute of Pacific Relations or of the Pacific Council or of any of the National Councils. Such statements are made on the sole responsibility of the author. The Japanese Council has not found it possible to participate in the Inquiry, and assumes, therefore, no responsibility either for its results or for its organization.

During 1938 the Inquiry was carried on under the general direction of Dr. J. W. Dafoe as Chairman of the Pacific Council and in 1939 under his successor, Dr. Philip C. Jessup. Every member of the International Secretariat has contributed to the research and editorial work in connection with the Inquiry, but special mention should be made of Mr. W. L. Holland, Miss Kate Mitchell and Miss Hilda Austern, who have carried the major share of this responsibility.

In the general conduct of this Inquiry into the problems arising from the conflict in the Far East the Institute has benefited by the counsel of the following Advisers:

Professor H. F. Angus of the University of British Columbia

Dr. J. B. Condliffe of the University of California

M. Etienne Dennery of the Ecole des Sciences Politiques.

These Advisers have co-operated with the Chairman and the Secretary-General in an effort to insure that the publications issued in connection with the Inquiry conform to a proper standard of sound and impartial scholarship. Each manuscript has been submitted to at least two of the Advisers and although they do not necessarily subscribe to the statements or views in this or any of the studies, they consider this study to be a useful contribution to the subject of the Inquiry.

The purpose of this Inquiry is to relate unofficial scholarship to the problems arising from the present situation in the Far East. Its purpose is to provide members of the Institute in all countries and the members of I.P.R. Conferences with an impartial and constructive analysis of the situation in the Far East with a view to indicating the major issues which must

be considered in any future adjustment of international relations in that area. To this end, the analysis will include an account of the economic and political conditions which produced the situation existing in July 1937, with respect to China, to Japan and to the other foreign Powers concerned; an evaluation of developments during the war period which appear to indicate important trends in the policies and programs of all the Powers in relation to the Far Eastern situation; and finally, an estimate of the principal political, economic and social conditions which may be expected in a post-war period, the possible forms of adjustment which might be applied under these conditions, and the effects of such adjustments upon the countries concerned.

The Inquiry does not propose to "document" a specific plan for dealing with the Far Eastern situation. Its aim is to focus available information on the present crisis in forms which will be useful to those who lack either the time or the expert knowledge to study the vast amount of material now appearing or already published in a number of languages. Attention may also be drawn to a series of studies on topics bearing on the Far Eastern situation which is being prepared by the Japanese Council. That series is being undertaken entirely independently of this Inquiry, and for its organization and publication the Japanese Council alone is responsible.

The present study, "Far Eastern Trade of the United States," falls within the framework of the first of the four general groups of studies which it is proposed to make as follows:

I. The political and economic conditions which have contributed to the present course of the policies of Western Powers in the Far East; their territorial and economic interests; the effects on their Far Eastern policies of internal economic and political developments and of developments in their foreign policies vis-à-vis other parts of the world; the probable effects of the present conflict on their positions in the Far East; their changing attitudes and policies with respect to their future relations in that area.

II. The political and economic conditions which have contributed to the present course of Japanese foreign policy and possible important future developments; the extent to which Japan's policy toward China has been influenced by Japan's geographic conditions and material resources, by special features in the political and economic organization of Japan which directly or indirectly affect the formulation of her present foreign policy, by economic and political developments in China, by the external policies of other Powers affecting Japan; the principal political, economic and social factors which may be expected in a post-war Japan; possible and probable adjustments on the part of other nations which could aid in the solution of Japan's fundamental problems.

III. The political and economic conditions which have contributed to the present course of Chinese foreign policy and possible important future developments; Chinese unification and reconstruction, 1931-37, and steps leading toward the policy of united national resistance to Japan; the present degree of political cohesion and economic strength; effects of resistance and current developments on the position of foreign interests in China and changes in China's relations with foreign Powers; the principal political, economic and social factors which may be expected in a post-war China;

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possible and probable adjustments on the part of other nations which could aid in the solution of China's fundamental problems.

IV. Possible methods for the adjustment of specific problems, in the light of information and suggestions presented in the three studies outlined above; analysis of previous attempts at bilateral or multilateral adjustments of political and economic relations in the Pacific and causes of their success or failure; types of administrative procedures and controls already tried out and their relative effectiveness; the major issues likely to require international adjustment in a post-war period and the most hopeful methods which might be devised to meet them; necessary adjustments by the Powers concerned; the basic requirements of a practical system of international organization which could promote the security and peaceful development of the countries of the Pacific area.

EDWARD C. CARTER
Secretary-General

New York,
September 15, 1940

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UNITED STATES EXPORTS TO AND IMPORTS FROM FAR EASTERN COUNTRIES

(Values in 1,000 dollars)

	<i>1926-30 Average</i>		<i>1930</i>		<i>1931</i>		<i>1932</i>		<i>1933</i>		<i>1934</i>	
	<i>Exports</i>	<i>Imports</i>	<i>Exports</i>	<i>Imports</i>	<i>Exports</i>	<i>Imports</i>	<i>Exports</i>	<i>Imports</i>	<i>Exports</i>	<i>Imports</i>	<i>Exports</i>	<i>Imports</i>
British India.....	53,512	136,869	45,195	104,148	36,698	58,521	24,915	33,204	19,858	43,759	27,442	55,082
British Malaya....	12,649	249,829	9,601	144,032	4,735	83,073	2,497	34,806	2,397	59,912	4,216	105,499
Ceylon.....	2,584	36,106	1,796	20,707	1,258	10,906	737	5,915	815	7,014	1,256	11,567
Netherlands Indies	33,850	87,467	29,408	57,890	15,323	34,240	7,816	29,827	6,890	33,076	10,068	42,426
French Indo-China	1,886	124	1,549	219	967	236	1,484	76	610	145	1,636	1,038
Philippine Islands .	73,688	114,114	64,935	109,390	48,883	87,133	44,968	80,877	44,782	93,048	47,129	87,811
Thailand.....	2,391	477	2,365	400	1,313	263	683	57	841	78	1,617	245
China ¹	109,021	140,506	89,605	101,464	97,923	66,759	56,171	26,177	51,942	37,807	68,667	45,933
Hongkong.....	18,043	12,062	16,987	9,002	14,380	5,829	9,695	4,277	8,563	3,939	9,026	5,280
Kwantung.....	7,531	3,362	6,405	2,809	2,176	1,223	1,186	904	2,691	1,347	3,938	1,577
Japan.....	246,036	379,632	164,570	279,040	155,715	206,349	134,921	134,011	143,435	128,418	210,480	119,251
Total.....	561,191	1,160,548	432,416	829,101	379,371	554,532	285,073	350,131	282,824	408,543	385,475	473,709

	<i>1935</i>		<i>1936</i>		<i>1937</i>		<i>1938</i>		<i>1939</i>	
	<i>Exports</i>	<i>Imports</i>	<i>Exports</i>	<i>Imports</i>	<i>Exports</i>	<i>Imports</i>	<i>Exports</i>	<i>Imports</i>	<i>Exports</i>	<i>Imports</i>
British India.....	31,424	61,981	26,807	70,340	43,747	95,942	33,400	58,400	42,800	66,400
British Malaya....	4,500	131,607	5,021	167,997	8,836	242,872	8,900	112,300	10,000	149,000
Ceylon.....	1,260	11,373	1,275	13,963	1,724	20,706	..	..	..	..
Netherlands Indies	10,873	50,295	13,752	69,805	25,050	115,189	..	..	..	..
French Indo-China	1,406	2,275	3,120	4,187	2,532	6,577	27,500	68,800	35,500	93,000
Philippine Islands.	52,640	96,999	60,350	101,679	85,032	126,061	3,100	7,100	8,200	9,600
Thailand.....	1,758	160	2,161	243	3,682	527	86,500	94,200	100,100	91,900
China ¹	38,153	64,200	46,819	74,232	49,703	103,622	..	300	..	400
Hongkong.....	9,104	8,937	8,550	8,541	20,266	9,213	34,700	47,200	55,800	61,700
Kwantung.....	4,188	5,312	3,542	3,988	16,068	3,708	21,300	3,400	18,100	3,600
Japan.....	203,283	152,902	204,348	171,744	288,558	204,201	17,000	1,600	15,500	1,500
Total.....	358,589	586,041	375,745	686,719	545,198	928,618	239,700	126,800	231,400	161,200

¹ Includes Manchuria.

Source: U. S. Bureau of Foreign and Domestic Commerce, Foreign Commerce and Navigation of the United States, 1931-1937.

APPENDIX II

SHARE OF CERTAIN FAR EASTERN COUNTRIES IN THE FOREIGN TRADE OF THE UNITED STATES

(Expressed as percentages of U. S. imports and exports respectively)

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
Imports from:											
British Malaya....	5.4	4.7	4.0	2.6	4.1	6.4	6.4	6.9	7.9	5.7	6.4
China.....	3.8	3.3	3.2	2.0	2.6	2.7	3.1	3.0	3.4	2.4	2.7
French Indo-China	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.2	0.4	0.4
Hongkong.....	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.3	0.2	0.2
Japan.....	9.8	9.1	9.8	10.1	8.8	7.2	7.8	7.1	6.6	6.5	7.0
Kwantung.....	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.1
Netherlands Indies	1.9	1.9	1.6	2.3	2.3	2.6	2.5	2.9	3.8	3.5	4.0
Philippine Islands.	2.9	3.6	4.2	6.1	6.4	5.3	4.7	4.4	4.1	4.8	4.0
Thailand ¹	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exports to:											
British Malaya....	0.3	0.3	0.2	0.2	0.1	0.2	0.2	0.2	0.3	0.3	0.3
China.....	2.4	2.3	4.0	3.5	3.1	3.2	1.7	1.9	1.5	1.1	1.8
French Indo-China	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.3
Hongkong.....	0.4	0.4	0.6	0.6	0.5	0.4	0.4	0.4	0.6	0.7	0.6
Japan.....	4.9	4.3	6.4	8.4	8.5	9.8	8.9	8.3	8.6	7.7	7.3
Kwantung.....	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.1	0.5	0.5	0.5
Netherlands Indies	0.9	0.8	0.6	0.5	0.4	0.5	0.5	0.6	0.7	0.9	1.1
Philippine Islands.	1.6	1.7	2.0	2.8	2.7	2.2	2.3	2.5	2.5	2.8	3.2
Thailand ¹	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1

¹ Fiscal year ended in the year shown.

APPENDIX III

SHARE OF THE UNITED STATES IN THE FOREIGN TRADE OF CERTAIN FAR EASTERN COUNTRIES

(Expressed as percentages of their imports and exports respectively)

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939
Share of the U. S. in											
Imports of:											
British Malaya....	3.7	3.3	2.5	1.9	1.6	1.8	2.0	1.9	2.3	....	....
China.....	18.0	17.5	22.2	25.4	21.9	26.2	19.0	19.6	19.8	16.9	15.9
French Indo-China	5.1	5.4	3.5	3.4	3.5	2.1	2.3	2.4	3.3	....	....
Japan.....	29.5	28.6	28.2	36.5	33.0	34.2	33.0	30.7	33.6	34.4	34.3
Manchoukuo.....	....	....	....	....	....	5.9	4.1	3.4	6.5	....	....
Netherlands Indies	12.2	10.7	9.1	6.7	4.9	6.1	6.9	7.7	10.2	12.4	....
Philippine Islands.	63.4	63.5	62.3	64.6	64.6	64.6	63.4	60.8	58.1	68.1	....
Thailand ¹	3.6	4.1	3.7	3.2	2.4	3.0	2.7	3.0	3.8	....	....
Share of U. S. in											
Exports of:											
British Malaya....	42.2	34.0	31.3	19.8	31.2	34.7	37.5	47.1	44.4	....	....
China.....	13.6	14.7	13.2	12.1	18.5	17.7	23.7	26.4	27.6	11.4	21.9
French Indo-China	1.2	0.3	0.4	0.2	0.7	3.6	4.3	6.3	7.2	....	....
Japan.....	42.5	34.4	37.6	32.1	26.8	18.6	21.8	22.5	20.6	15.8	17.9
Manchoukuo.....	....	....	....	....	....	1.3	3.7	2.7	2.9	....	....
Netherlands Indies	11.4	12.2	11.8	12.1	11.7	11.5	14.3	17.8	18.7	13.5	....
Philippine Islands.	75.9	79.1	80.3	86.7	86.3	83.2	79.5	80.4	79.8	77.2
Thailand ¹	0.4	0.4	0.4	0.3	0.1	0.1	0.2	0.2	0.4

¹ Fiscal year ended in the year shown.

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