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Def. Doc. 1311 German Embassy Tokyo, 8 March 1937. J. Ir. 405/37 POLITICAL INFORMATION Subject: Intensification of Japanese South Seas Policy In recent years there has scarcely been one speech on foreign political program, or one Diet debate that has not at least suggested and in stereotyped expression brought up the problem of Japanese South Sea Policy. The reason for this was besides the life and death problems for Japan of raw materials, markets and immigration, the prestige of the Navy which maintained, as is widely known, in contrast to the continental aims of the Army, the necessity of sufficient protection of peaceful expansion in the South Seas by Japan. It is not surprising that the present day Diet is prying more then merely traditional or academic interest in the South Seas problem when one see s that the Washington Treaty has recently expired, that the English and American new powerful naval armament is causing disgust in Japan, that the question of the world division of rew materials has reached a decisive stage as a result of the meeting of the Committee in Geneva and the concrete taking up of the German colonial and raw material problems, and that lastly, the lengthy J ranese-Netherlands Last Indian trade treaty negotiations have not yet shown any satisfactory results. The Japanese government has also recently tended to show tendencies of a certain intensification of its South Seas Policy. Several measures have been taken, which at the same time should meet the endeavors, anchored generflly in the internal-political reform program for the strengthening and unifying coordination of the foreign treae policy, In this way, the Foreign Ministry here has established E South Seas Division, and its mission is to unify and lead all official work done concerning the South Seas questions. Moreover, the newly appointed Japanese Ministry to the Hague, former Director of the East Asiatic Bureau of the Foreign Ministry Kiwashima, was despatched on an inspection tour to the Metherlands Mast Indies before going to his new post. His activities there will scarcely be restricted to simple courtesy contacts with the NEI officials or to accolerate the Japanese-NEI Trade Treaty negotiations.

Def. Doc. 1311 It is perhaps botter to recept the view that Kuwashime, after his return to Japan, b seed on his impressions gained on the spot, will suggest to the concerned governmental querters plans to further effectively cerry out various Japanese projects in the South Leas, in order to, after his errivel at the Hague, lead Japanese-Dutch relations to a new and positive phase. The highest leading principle for the Japanese policy will be in future as in the past -- this will be emphasized on all occasions -- the absolutely friendly economic development and penetration of extremely important raw meterial and market regions in close and friendly agreement with the Netherlands Government. Concerning this gradual settling of the target by the government, a Minscito M.P. who pays special attention to South Seas problems, Hyogoro Sakurai, in his interpellation, mede a point that appeared to be premature and to overshoot its target. He proposed that Japan should lease ctorns lly the Metherlands, New Guinea and other small neighboring islands and conclude a non-aggression pect with Holland. Prime Minister and Foreign Minister Hayashi made a reserved answer and said he would consider the proposal, and utilized the opportunity to agrin emphasize that Japan had no territorial ambitions concerning the NEI or the Philippines. In the course of this debate, Heyeshi in the end, touched briefly on the question of Australian immigration and promised that the government would take the initiative also in this direction. In the Diet, and therefore in the open forum of Japan and the world, all the problems included in the concept of "Impetus Toward the South" were one after another touched upon. The expressions were renewed that Japan sees in the posceful penetration and development of the thinly populated South Seas raw material areas where Japanese

labor and capital had already widely taken hold one of the most netural ways to satisfy Japanese material necessity in the sense of a justified division of raw material and colonial greas of the world.

On the morning following the debate, a Domei report from the Hague had the effect of a cold douche. According to this report, the Dutch Government's answer to the Japanese proposal was that the conclusion of a non-aggression pact was contradictory to the general attitude and

Dof. Doc. 1311 political tradition of the Notherlands, however, that the Netherlands Government was ready within the scope of the policy of the open door, which has always been meintained by it, to consider sincerely the Jepenese proposal to acquire rights in New Guinea, provided it turns out to be legally valid. (Bigned! VON DIRKSEN