The Far East had a significant impact on Canada during the 1930s. In many ways, developments there posed more perplexing problems for Canada than did the turmoil in Europe. Increasing tension in the Far East threatened to upset trans-Pacific trade (which, though small, was nevertheless important to an economy crippled by the Depression); it also threatened to exacerbate problems surrounding Japanese immigration (a sensitive issue Canadian governments feared might embitter already sour relations between Japan and the British Empire). Moreover, in Europe British and American policies generally harmonized, but in the Far East Britain and the United States often pursued divergent policies—with potentially disastrous implications for Canada's relations. Canadian statesmen, mindful of the way Canadian interests had suffered in the past, recognized the danger of becoming entangled in Anglo-American power struggles. The possibility of war in the Pacific recalled the threat the conscription crisis of 1917 had posed to national unity. Canadian neutrality in the event of an American-Japanese war was theoretically possible, but many believed that Canada might be attacked if war broke out in the Pacific. Military authorities warned the government that if British Columbia was inadequately defended the United States might be forced to step in to ensure American security—violating Canadian neutrality or even threatening Canadian sovereignty.

Canadian officials recognized the dangers—which largely explains their cautious and non-committal approach to foreign policy. Throughout the 1930s they sought to avoid entanglement in Anglo-American conflicts by seeking to promote good relations between Britain and the United States while avoiding any policy that risked
creating what Prime Minister Mackenzie King often referred to in his diary as 'incidents.' At the same time, officials tried to resolve the defence problem—made more acute by the deterioration of the situation in Europe—by giving the Pacific Coast nominal priority over the Atlantic Coast while supporting Britain's European policy of appeasement in hopes of avoiding involvement in a European war.

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CANADA AND THE FAR EAST DURING THE 1930s

Gregory A. Johnson

A member of the Royal Commission on Dominion-Provincial Relations captured the essence of Canada's position on the Pacific Rim when he remarked that, between the United States and Britain, Canada was like 'a small man sitting in a big poker game. He must play for high stakes, but with only a fraction of the resources of the other players: should he win, his profits in relation to his capital are very large, but if he loses, he risks being cleaned out.' Canadian officials had grappled with the nagging question of what would happen in the event of a Pacific war since the formation of the Anglo-Japanese alliance in 1902. True, there were occasions when the alliance benefited Canada—notably during World War I, when Japan kept German naval forces at bay in the Pacific, thereby allaying fears of a German attack on British Columbia. But the alliance proved on balance to be more of a burden for Canada. Fierce American criticism of Japan's actions during the 1914-18 war, in particular the notorious Twenty-One Demands to China in 1915 and the seizure of Germany's Far Eastern colonies, had raised the question of Japan's desirability as an ally. The alliance, the Canadian naval staff argued in 1919, had 'lost its main value for us, and may be even looked upon more in the light of an encumbrance, as it is a means of embroiling us with the United States.' This danger was Prime Minister Arthur Meighen's chief preoccupation when he argued for the termination of the alliance at the 1921 Imperial Conference.

The replacement of the alliance by the Washington Conference system of
1921-22 somewhat eased the fear of Canada's incurring the hostility of the United States, but there were still those, particularly in the military, who expressed concern over the potential for trouble in the Pacific and the circumstances it would create for Canada. They had reason to be concerned. A naval race between Japan and the United States could easily lead to war; in addition, Japanese bitterness towards Britain for abandoning the alliance prompted growing uneasiness. Would Canada get dragged into an Anglo-Japanese war with American abstention? Or an American-Japanese war with British abstention? Could Canada remain neutral if the United States or Britain went to war against Japan? Was Canada even in a position to protect its neutrality in the event of war? Or would Japan attack Canada under any circumstances?

Failure to address these questions adequately during the 1920s and to find answers to them during the 1930s would come back to haunt the government after Japan's attack on Pearl Harbor in 1941. That they remained unanswered in the decade after World War I owed as much to the belief that Canada was 'a fireproof house far from inflammable materials' as it did to the prevailing mood of optimism over the chances for lasting international peace. The establishment of a Canadian Legation at Tokyo in 1929 reflected the spirit of goodwill. Herbert Marler, a former Liberal member of Parliament and Cabinet Minister, was appointed Minister, a position he would hold until July 1936. His staff was headed by First Secretary Hugh Keenleyside, a native British Columbian who had at one time taught at the University of British Columbia before joining the Department of External Affairs. Japan reciprocated by establishing a Legation in Canada. All the signs pointed to a new era of friendly co-operation. Canada and Japan, said I.M. Tokugawa, Japan's first Minister to Canada, upon his arrival in October 1929, 'are marching hand in hand toward the great cause of permanent peace in the region.' British statesman Viscount Cecil expressed a similar sentiment when he told the League of Nations Assembly on 10 September 1931 that 'there has scarcely ever been a period in the world's history when war seemed less likely than it does at the present.'

Such optimism was shattered a week later by a small explosion on the South Manchurian Railway, north of the capital, Mukden. Charging that the blast was the work of Chinese saboteurs, elements of Japan's Kwantung Army clashed with Chinese forces. What had started as a minor incident was soon—quite deliberately—escalated out of control. China took its case to the League of Nations, which appointed a commission under the Earl of Lytton to look into the matter. A crisis might have been avoided had the Japanese not attacked Shanghai in January 1932, but this menacing move threatened the heart of China as well as British and American interests in the region. The American Secretary of State, Henry Stimson, called upon Britain to actively support America's refusal to recognize Japanese claims to any part of China. The British, fearing that they would be pushed out front and then left holding the
bag, refused to act on Stimson's proposal. British statesmen, and especially the
Foreign Secretary, Sir John Simon, knew very well what would happen if Britain
supported the Stimson line. Their fears were confirmed when in 1933 the
League accepted the Lytton Commission's report, calling for a policy of non-
recognition of Japan's claim to Manchuria. Japan left the League, held Britain
responsible for the moral condemnation of its actions in China, and
announced its intention, in the 1934 Amau Declaration, to pursue Japan's
special mandate in East Asia.  

Significantly, Japan's actions did not prompt Britain and the United States to
form a common front. Britain had too much, and the United States too little, at
stake in the Far East to risk forcing Japan to back down. In addition, the
Americans believed Britain's refusal to support the Stimson doctrine amounted
to betrayal (Stimson later claimed that Britain, and especially Simon, had 'let
America down'). The episode left a legacy of mistrust and suspicion in Anglo-
American relations that would last throughout the 1930s and continue into
World War II.

Although Ottawa's initial concern was whether the conflict would escalate
into a general Far Eastern war through the application of sanctions, Canadian
statesmen soon found themselves in the middle of the Simon-Stimson affair.
The occasion was a speech which Canada's Secretary of State, C.H. Cahan,
delivered to the League on 8 December 1932 in response to the Lytton report.
Cahan chose to support Britain by disavowing the report. He questioned the
legitimacy of the National Government of China, supported Japan's claim to
rights in China, and hinted that Japan had a special mandate to exercise in
Manchuria.

The speech angered officials in Ottawa, not so much because of what Cahan
said as because of the reaction his remarks provoked in the United States.
Canada's Minister to Washington, W.D. Herridge, had overstepped his instruc-
tions by assuring Stimson that Canada stood behind America policy. Cahan's
speech thus brought a sharp rebuke from the United States. Stimson remarked
curtly that the Canadian representative should 'adhere more closely to the
letter and spirit of his instructions.' Another American official warned that
Washington considered Cahan's action 'a straight double-cross.' Fortunately,
Canada managed to escape with only a severe American tongue-lashing. The
affair nevertheless demonstrated what could happen if Canada came between
Britain and the United States over a Far Eastern issue. It also provided Macken-
zie King, then Leader of the Liberal Opposition, with a valuable lesson; namely,
that Canada had to be kept out of Far Eastern international affairs.

The controversy over Cahan's speech soon faded, but there were those,
notably Major-General A.G.L. McNaughton, then Chief of the General Staff,
who were closely following developments in the Far East. When the League
(and the Canadian delegate) voted to accept the Lytton report on 24 February
1933, he wrote a long memorandum to Prime Minister R.B. Bennett voicing serious concerns over the League's action and its possible implications for Canada. 'The situation to be appreciated,' McNaughton began, 'is that the United States and the League . . . have succeeded in isolating Japan.' He pointed out that Japan and the United States had both recently carried out a number of provocative war exercises and concluded that 'the attitude of these two Powers towards one another is therefore quite definitely one of dangerous distrust and anticipation.' Given that this hostility could lead to war, McNaughton raised the matter of Canada's obligations under the Anglo-American treaty of 1871. That treaty required Canada to protect sections of the Straits of Juan de Fuca which, Japan could argue, were international waters. If Canada failed to prevent the Japanese from utilizing these areas, the Americans could respond with force and, McNaughton feared, might even occupy British Columbia. He therefore recommended that the government increase defences on the West Coast.

The Chief of the General Staff was not simply attempting to exaggerate potential dangers in an effort to wring more money for defence from a stingy government (though this may have played a part). Astute enough to recognize that a Japanese attack on the United States 'would seem the extreme of folly,' McNaughton nevertheless correctly observed that 'in the present state of Japanese feeling . . . reason and consideration of future results cannot be relied upon as determining factors.' Even if war did not break out in the Pacific, its possibility threatened to divert British and American attention away from Europe, the real area of concern. 'Such detachment [from Europe] on the part of the two States now holding the balance of world power might well result in international chaos,' he warned.

McNaughton's remarks partly reflected his distrust of Japan. 'Remember, George,' he wrote to one of his staff officers, George Pearkes, in 1929, shortly before he turned over command of British Columbia's Military District Number 11 to his successor, 'keep your eyes on the Pacific. You can't trust those Japanese.' But by 1933 there was a growing realization that the Washington Conference system was not working, the Far East was entering a period of instability (despite the Tangku truce between China and Japan in May 1933), the United States and Japan were eyeing each other warily, and Anglo-American relations had soured. What of Canada's geographical and political position between Britain and America in these circumstances? Here, too, military officials expressed some concern. Colonel H.D.G. Crerar of the General Staff, for example, wrote in March 1933 that 'Canada, by reason of its geographical position alone, is very importantly concerned with the conflict now proceeding between Japan and China. It is moreover vitally concerned with the relations between the United States and Japan and the United States and Great Britain. It follows that the basis of our policy should be to do nothing
which will accentuate the difficulties in U.S./Japanese relations, and to do everything which will improve the political understanding between Great Britain and the United States. The role of linchpin was a time-honoured one, though Crerar never explained how Canada should proceed in this situation. Crerar also warned that Canada had to exercise great care in choosing which British policies to support in the Far East or risk coming into opposition with the United States. For instance, when Britain's proposed arms embargo against Japan and China prompted American objections, he argued that Canada should stand aloof because 'it would unquestionably cause undesirable misgivings in American minds as to the attitude and action of Canada ... in the grave event of hostilities breaking out between the United States and Japan.'

The Americans for their part had doubts about Canada's position, and serious misgivings about the state of Canadian defences. In late April, 1935 Ottawa learned that the United States War Department planned to build air bases in the Great Lakes area which threatened 'to dominate the industrial heart of Canada.' This revelation was followed by a report that the Military Affairs Committee of the House of Representatives had produced a study containing 'provocative references to Canada'; meanwhile others were proposing that a highway be built through British Columbia to Alaska. These schemes occasioned some alarm among Canadian military authorities over their implications for the Pacific Coast and the question of Canadian neutrality. Echoing McNaughton's earlier concerns, the General Staff warned that 'if Canada is unprepared to defend her neutrality in the event of a Pacific war in which the United States is engaged . . ., it is as clear as can be that the Americans will not hesitate for one moment to occupy our country in order to deny potential bases to their enemy.' The proposed highway prompted particular alarm. General E.C. Ashton, Chief of the General Staff, wrote: 'The question of the maintenance of our neutrality in the event of a war between the U.S.A. and Japan—a not unlikely occurrence within the next few years—is a very vital one. The building of a north and south highway through B.C. provides a strong military inducement to the U.S.A. to ignore our neutral rights on the crisis arising.'

Military officials were not alone in drawing attention to the potential dangers Canada faced in the Pacific. In 1935 Lester B. Pearson, in an article in the influential journal Foreign Affairs, pointed out that Far Eastern developments contained 'terrific implications' for Canada. 'Canada's position becomes impossible if Great Britain and the United States drift apart on any major [Far Eastern] issue,' he wrote. 'Canada is a British Dominion. She is also an American State. She cannot permit herself to be put in a position where she has to choose between these two destinies. Either choice would be fatal to her unity; indeed to her very existence as a State.' Another official in the Department of External Affairs, Loring Christie, warned his colleagues that Canada could not afford to
ignore the Far East. 'To what extent,' he asked, 'if any, can we expend energy across the Atlantic without weakening our resistance to events impinging from the south or from across the Pacific?' Although military officials, Pearson, and Christie may have been using the Far East to achieve other ends (Christie in particular was attempting to argue that Canada should limit its European commitments and he used Far Eastern developments to make his point), there was nonetheless by 1935 a widespread belief that the horrors of World War I were once again about to descend upon the world and that hostilities might start in the Far East instead of in Europe.

Mackenzie King returned in 1935 to the Prime Minister's office amid this hostile international climate. Five years in opposition had not dulled his political sensitivity, his concern for national unity, or his desire to keep Canada out of another war. Having dealt with Far Eastern issues early in his career, King retained a healthy appreciation of the dangers Canada faced in the Pacific. But for the moment he confronted a number of more pressing domestic problems inherited from the Bennett administration, among them the problem of economic recovery and the Abyssinian crisis, which produced the famous Riddell affair. But he also faced a nasty trade war with Japan.

Only a brief summary need be provided here. By the end of the 1920s trade with Japan, as Mackenzie King bragged in the House of Commons, was 'greater than was the trade of Canada with the United Kingdom at the time the government of Sir Wilfrid Laurier came into office.' In 1896 Canadian exports to Japan had amounted to only $8,148. By 1929 exports had risen to $42,099,968 and Japan had become Canada's third largest importer. Though trade with the Far East represented less than five per cent of Canada's total trade, more important was the fact that Canada generally enjoyed a very favourable balance of trade with Japan (in 1934, for example, Canada exported some $14 million to Japan while importing only $3 million). This favourable balance, along with Canada's protectionist measures to which the Japanese objected, sparked the trade war.

There is little to be gained by assessing blame for the episode. Both Canada and Japan were suffering from a severe downturn in the economy and both countries sought to employ measures that would lead to economic recovery—Canada by using high tariff walls and anti-dumping duties; Japan by embargoing gold exports, devaluing currency, and cutting military expenditures. The Japanese fired the first shot in July 1935 when they imposed a 50% surtax on Canadian imports, after charging discriminatory practices by Canada on exchange values of the yen. Japan had gone off the gold standard in 1932, devalued the yen from 49.85 cents to range between 24 and 29 cents, and wanted Canada to accept the current rate of exchange (then 29 cents) on its imports of Japanese goods. The idea, of course, was to increase the level of
Japanese exports to Canada in an effort to correct the trade imbalance. The Bennett government retaliated with a 33\(\frac{1}{3}\)% surtax on Japanese goods and the war was on. Canadian exports dropped in September to a three-year low, from 4,367,000 million yen in 1933 to 2,630,000 million yen in 1935, and overall trade fell 33% between August and December. This, and the subsequent war of words, did neither country any good but the situation remained deadlocked until Mackenzie King returned to office and began negotiations to resolve matters. The trade war ended on 1 January 1936 when both countries cancelled their surtaxes and modified currency exchange values on various exports. Thereafter trade increased, so that by the end of 1936 the Pacific Rim represented more than one-quarter of Canada's total ocean-borne trade. The following year Ian Mackenzie, the Minister of National Defence, confidently reported that 'it is no exaggeration to say that Canada has a $200,000,000 trade interest on the Pacific Ocean.'

The trade war was settled, but very shortly the defence issue reappeared. As O.D. Skelton, the influential Under-Secretary of State for External Affairs and Mackenzie King's closest advisor, commented after the wave of political assassinations that shook Japan in early 1936: 'The establishment of another military dictatorship [in Japan] will not only increase the danger of conflict in China and Russia, but will intensify every other international difficulty. The question of our own Pacific coast defences will undoubtedly be brought up soon.'

It was. When McNaughton retired as Chief of Staff in 1935 he prepared a memorandum outlining deficiencies in Canada's defence system. Mackenzie King did not read the report until August 1936, but what he then read alarmed him. 'The impression left on my mind,' he recorded in his diary, 'was one of the complete inadequacy of everything in the way of defence.' The Joint Staff Committee was instructed to prepare a thorough report, which it presented in September 1936. The military officials minced no words: 'the liability of direct attack on Canada by Japanese forces has become a matter requiring urgent consideration and action in view of the menacing situation which continues to develop in the Far East.' As was the case in the past, they stressed the maintenance of Canadian neutrality, Canada's geographical position, and relations with the United States. In each case the message was clear: Canada had to arm and defend its Pacific Coast to fend off both Japanese and American potential encroachment.

The Prime Minister took the military's concerns seriously, especially after President Roosevelt told him in July, 1936 of 'having a number of leading Senators in and asking them the question, what would the United States do if Japan attacked British Columbia. The agreement being instantly, why, of course we would go in and help to prevent her getting a foothold.' A worried Mackenzie King noted in his diary, 'I thought we owed it to our country to protect it in a
mad world, at least to the extent of police services, both on sea and in the air, alike on the Atlantic and Pacific Coasts. I stated it was humiliating to accept protection from Britain without sharing in the costs, or to rely on the United States without being willing to at least protect our neutrality. What King did not like was the cost of implementing a suitable defence program, estimated at about $200 million over five years with an initial outlay of $65 million. Despite the pressure for major improvements, the sum actually allocated amounted to only $36 million, with coastal defence being given priority, the Pacific Coast coming before the Atlantic.

The Canadian government had good reason to place priority on the defence of British Columbia. But in practice the Pacific Coast received little in the way of actual armament until after Pearl Harbor. Moreover, this sad state of affairs continued to concern the Americans. In March 1937, for example, Mackenzie King visited the White House to be told by the President 'that it might be wise for them [the Canadians] to have a certain number of naval vessels in the nature of patrol ships on the west coast.' Roosevelt again raised the subject of the Alaska highway and inquired about 'the possibility of seeing the work eventually carried through.' On this occasion, and others to follow, Mackenzie King remained determined to keep the Americans at arm's length. It was an early indication of his suspicion of American intentions vis-à-vis Canada and the Far East. And those suspicions would only increase after full-scale war broke out between China and Japan during the summer of 1937.

The 'undeclared' Sino-Japanese war began on the evening of 7 July 1937 when Japanese and Chinese forces clashed near the Marco Polo Bridge, not far from Peking. Once again, as in 1931, the Japanese used the incident as a pretext to demand disproportionate concessions. This time, however, there was no turning back. Throughout 1937 and 1938 the Japanese inflicted on the Chinese a series of blows, including the capture of such key strategic centres in China such as Canton and Hankow. Japanese forces also savaged Shanghai and Nanking, where the infamous 'rape' is said to have claimed 200,000 lives. Even the Western powers fell victim to the attack. In one incident a Japanese plane strafed the car of the British Ambassador to China, seriously wounding him. Then, in December 1937, Japanese shore batteries on the Yangtze river fired upon the British ships HMS *Ladybird* and *Bee* while Japanese aircraft attacked and sank the USS *Panay* and three Standard Oil tankers. These developments were followed by demands by the Japanese government for the establishment of a 'New Order' in East Asia—one which would not include the Western powers.

By 1939 Japanese forces occupied more than a million and a half square kilometres of Chinese territory and had taken an estimated 800,000 Chinese lives. Nevertheless, Japan had not been able to bring China to its knees. This
only served to strengthen the Japanese resolve to deliver a crushing blow. For the remainder of the year Japan sought to tighten its hold on the occupied areas, to weaken China's war effort by undermining the Chinese currency, and to drive a wedge between Britain and the United States in an effort to force Britain into accepting a 'Far Eastern Munich.' Moves in this direction were made with the seizure of Hainan Island off the South China Coast in February and the prohibition of North Chinese currency in March. Japan then began to exert pressure on the International Settlements and especially on the British Concession at the Chinese treaty port of Tientsin. This bold move brought Japan and Britain to the brink of war during the summer of 1939.49

The last thing the Canadian government needed was more trouble in the Far East. But trouble there was. The problems were familiar enough: the possibility of becoming drawn into a war and the threat it posed for national unity, the danger of coming between Britain and the United States, and the ongoing dilemma of defence. But the outbreak of the Sino-Japanese war added a new sense of urgency to the resolution of these problems at a time when the government was still struggling with the Great Depression and potential domestic disunity in the face of the ominous situation developing in Europe, an area traditionally of far greater concern.

Initially, Mackenzie King's government tried to ignore the Far Eastern situation. Adopting the Micawber-like approach that constituted King's leadership style, official circles seemed to believe that if the problem was ignored it would somehow go away. That this position was untenable became abundantly clear when, in October 1937, London asked Ottawa for its views on the question of imposing sanctions against Japan.49 Mackenzie King and O.D. Skelton were violently opposed to such a policy. The Prime Minister feared that Britain was seeking to drag Canada into the Far Eastern confrontation. "British interests" in China, he noted sourly in his diary, 'will not be a sufficient ground for our participation in a war in the Orient." The Under-Secretary, for his part, worried that Britain and the United States might go through another Simon-Stimson affair. Skelton knew that the United States and Britain did not see eye to eye in the Far East, and more importantly, that the Americans were unwilling to give the British a firm military commitment in advance. If Britain pressed ahead with sanctions Canada risked becoming involved in either an Anglo-American squabble or a Pacific war.49

If this was not enough, the government now faced increasing pressure on two other fronts: public opinion, and renewed American concerns over Canadian defence. Public opinion had not mattered much in the past, but by the fall of 1937 it had begun to heat up across the country. Archdeacon E.G. Scott of Quebec City, for example, was claiming that Japanese naval officers were living in disguise in Japanese fishing villages on the West Coast. British Columbia MLA Captain MacGregor Macintosh declared that Scott was 'telling the truth'
and went on to assert that ‘Oriental penetration into British Columbia industry was a real fact.” The situation almost got out of hand when a Vancouver resident, Rolphe Forsythe, tried to blow up the Japanese ship Hiye Maru at Seattle, Washington. Fortunately, Forsythe blew himself up instead and Canada managed to escape an international incident with a formal apology to Japan.*

In the meantime the Americans were demonstrating increased interest in West Coast defence—in September 1937 President Roosevelt himself paid a visit to British Columbia. He was not impressed. Two months later Norman Armour, the American Minister to Ottawa, noted that Roosevelt had concluded that ‘Canadian defenses were . . . not only entirely inadequate, but almost nonexistent’ and that he ‘felt that more should be done by the Canadian and American governments in developing a co-ordinated plan of defense’. The President followed up his visit with a suggestion that Canada send a couple of officers to Washington for ‘off-the-record conversations’ on Pacific Coast defence. The Canadians complied, and in mid-January, 1938 the Chief of the General Staff and the Naval Staff travelled separately and incognito to Washington to meet with their American counterparts. But they took with them the familiar instructions from the Prime Minister to enter into ‘no commitments’. The President followed up his visit with a suggestion that Canada send a couple of officers to Washington for ‘off-the-record conversations’ on Pacific Coast defence. The Canadians complied, and in mid-January, 1938 the Chief of the General Staff and the Naval Staff travelled separately and incognito to Washington to meet with their American counterparts. But they took with them the familiar instructions from the Prime Minister to enter into ‘no commitments’. The President followed up his visit with a suggestion that Canada send a couple of officers to Washington for ‘off-the-record conversations’ on Pacific Coast defence. The Canadians complied, and in mid-January, 1938 the Chief of the General Staff and the Naval Staff travelled separately and incognito to Washington to meet with their American counterparts. But they took with them the familiar instructions from the Prime Minister to enter into ‘no commitments’.

Nothing, predictably, came of these talks, but Mackenzie King was becoming increasingly concerned. As he explained to his Cabinet in early January 1938: ‘Japan was very dangerous. . . . For us to do nothing was not playing the game. . . . Also that with the United States materially increasing its large war equipment, that for us to do nothing in meeting our own defence was to become increasingly dependent upon the United States with possible serious consequences.’ Faced with this prospect, the existing rift in Anglo-American relations, increasing American pressure over defence, and rising hostility in public opinion, the Prime Minister declared in the House of Commons on 31 January 1938 that ‘our decision is to be strictly neutral’ with respect to the Sino-Japanese conflict. Shortly thereafter he took the lead in killing a Bill to further restrict Japanese immigration to Canada; his government would continue to oppose exclusionist measures in order to avoid provocation. King noted in his diary that he had warned members of the House of ‘the position in Japan and the embarrassment which the passing of any exclusion measures would be to the British Government and the danger of the reaction to the parts of the Empire.’ Not the most principled policy, perhaps, but it would not offend either the Americans or the British and meanwhile would reassure the Japanese, since Tokyo would presumably read the rejection of the immigration bill as a conciliatory gesture.

Nevertheless, the government’s attempts to sidestep the issues were not having the desired effect and Mackenzie King knew it. In August 1938, Roosevelt declared at the opening of the Thousand Islands Bridge at Kingston, Ontario, in a speech that was aimed as much at Japan as it was at Germany, that
the United States will not stand idly by if domination of Canadian soil is threatened by any other empire.' Mackenzie King publicly assured the United States that Canada's obligations would be met. But privately he was rather disturbed by the President's guarantee. 'I pointed out to the Cabinet,' he recorded in his diary, 'that they must not mistake what the President said at the Thousand Islands Bridge; that it was not that the United States would not allow Canada to be dominated by any other Empire or country than the British. That if she had to come here and save (Canada), the Empire being dominated, it would mean that Canada would become a part of America.' This King was determined to resist. He continued to reject American overtures to build the Alaskan highway, claiming that he would not permit 'financial penetration' of Canada.

In an effort to provide at least the appearance of improved defences, the government began to step up rearmament on the Pacific Coast, mostly in the form of artillery. Four of Canada's six destroyers were also stationed there. In addition, a press campaign advertised a well-defended British Columbia. Some of the resulting headlines were rather optimistic. The Globe and Mail, for example, ran a front-page story in December, 1938 bearing the headline 'Canada's Pacific Forts Among the World's Finest' while the Toronto Star later ran a piece headed 'B.C. Defences To Rank With Best In World.' The federal government, struggling with the economic consequences of the Depression, lacked the means to do all that might be wished. Nevertheless, these measures hardly constituted a reassuring readiness should war come. The continuing failure to deal with defence matters during the 1930s proved, in the event, to be one of the factors fuelling the near hysteria that gripped British Columbia in the aftermath of Pearl Harbor.

Meanwhile, the war in China raged on. As the Japanese became increasingly frustrated in their attempt to bring China down, they began to exert pressure on the International Settlements and particularly on the British Concession at Tientsin. A crisis broke out after the Japanese blockaded the concession on 14 June 1939. Among the issues were the circulation of North Chinese currency, the refusal of the British to give up Chinese silver reserves stored in the Concession's vaults, and anti-Japanese activities carried out from the concession by Chinese guerrillas.

The crisis had menacing implications for other parts of the world and especially for Britain. British policy had been based on the premise that war would break out in Europe first, and then spread to the Far East. But now, as British Prime Minister Neville Chamberlain warned, 'it looked as though it might be the other way round: for, if we sent our fleet to Singapore to deal with Japan, the temptation to the Axis Powers to take advantage of the situation would be almost irresistible.' Moreover, there was the American factor to consider. The British Ambassador to Washington cautioned his government
against any policy 'that could be construed as a return to policy of appeasement' (abandoned after the Germans marched into Czechoslovakia in March 1939) since it would alienate the United States.'

These developments were viewed with considerable alarm in Ottawa. Once again, the dual fear of an Anglo-American split and of the danger of becoming drawn into a war with Japan dominated Canadian thinking. On 16 June Vincent Massey, Canada's High Commissioner to London, warned that the Japanese may have forced [the] issue at Tientsin, where United States interests are not so great, to drive a wedge between the two Governments. O.D. Skelton agreed with this assessment. Though he believed that Britain would not risk war with Japan without American support, he nevertheless allowed for the prospect of war: 'It would be ironical', he wrote to the Prime Minister, 'if, after declining to take any action against Japan to save the millions of Chinese from slaughter and starvation, we should find ourselves engaged in economic or military conflict in defence of concessions established after the Opium Wars.' The Under-Secretary warned that if Canada were asked to take some form of action, or to participate in economic sanctions, it should have an assurance of support from the United States.

The Americans, however, were not forthcoming. Merchant Mahoney, the chargé d'affaires at the Canadian Legation in Washington, informed Ottawa that the Chief of the Far Eastern Division of the State Department had told him that 'he did not foresee new developments in the Far Eastern policy of the United States'. Meanwhile Escott Reid, Mahoney's Second Secretary, reported that non-interventionist sentiment in the Congress was too strong to overcome. In other words, the Americans would hold their neutralist course and await developments. Without a guarantee of American support, London was forced to instruct its Ambassador to Japan to back down as gracefully as possible. On 24 July Britain accepted the humiliating formula negotiated by Sir Robert Craigie and Japanese Foreign Minister Arita as the basis for a settlement of the crisis.

Not surprisingly, the Americans were disappointed by the British retreat. Secretary of State Cordell Hull later wrote: 'It was disturbing in that Japan had won a victory in her never ending quest for recognition of "special rights", or "special interests", in China.' On 26 July Washington gave Tokyo the necessary six months' notice for the termination of the 1911 American-Japanese commercial treaty. This move came as a surprise to Britain but it was an even greater shock for Japan. Whether designed for domestic political consumption or meant to stiffen Britain's hand, the decision came two days too late. On the whole, the British were delighted, but angry that the Americans had not informed them beforehand of the decision (others, Craigie for example, believed that it was 'just another flash in the American pan').

Whatever prompted it, the American decision forced the British to recon-
sider the situation carefully. At a series of meetings in early August, Chamberlain's Cabinet discussed the possibility of terminating the Anglo-Japanese Commercial Treaty of 1911, to which Canada was a party. On 16 August Britain asked Canada for its views on the termination of the treaty. Ottawa replied on 21 August, explaining that

it has not been found possible, in the brief time thus available to secure definitive consideration of the question by the Canadian Government. . . . While we consider it is essential for full understanding of the situation . . . we do not wish to imply that [such considerations] would offset our desire to cooperate with the United Kingdom and the United States in any action which they might take, particularly so in view of the long-range interests involved.

Despite the rather evasive phrasing of this telegram, Canada had acknowledged it would stand by Britain. The question had, in fact, been very carefully considered by Canadian authorities even before Britain made the request. Skelton, for one, anticipated such a move as early as 1 August. Writing to Mackenzie King he observed: 'It is not our business to offer any advice on the Tientsin negotiations at this eleventh hour, but if negotiations break down and the British decide to follow the United States example in denouncing the treaty, I do not suppose we could do otherwise.' But another factor troubled Skelton: namely, that Japan might retaliate and 'if reprisals are made they will fall largely on Canada, and while I do not think there is any likelihood of reprisals taking a military form it is clear that if they did come in the Pacific the United Kingdom could not give any adequate support.' Skelton's fear of reprisals was not entirely unwarranted. As Norman Robertson, First Secretary in External Affairs, explained, under the Canadian tariff structure Japan would revert to the general tariff instead of the 'most-favoured nation' position. But the same thing would not necessarily happen to Japan's trade with Britain and the United States. Hence Canada could be placed in the position of taking 'what might be regarded as directly punitive measures against Japanese trade at a time when neither the United Kingdom nor the United States were committed to taking similar measures.'

In other words, Canada could be placed in a position where it might be held responsible for creating an incident of the sort King had long feared. This had to be avoided. While Skelton and others believed that Canada had little choice but to follow Britain, they wanted a separate announcement of the termination of the trade agreement. This would demonstrate Canadian independence and would not give the appearance of taking the lead against Japan. Mackenzie King, for his part, agreed. But he was becoming increasingly alarmed over other possibilities. 'With Japan Italy & Germany together in secret conclave,' he wrote in his diary, 'it is hard to believe that plans are not already made for
simultaneous attacks in the Orient & Europe—a ghastly & appaling [sic] situation. 68

The Axis powers were not planning together in ‘secret conclave’ for simultaneous attacks. But the Prime Minister’s fear of becoming drawn into a war against Japan was not altogether removed from the realm of possibility. By the middle of August negotiations between Britain and Japan had broken down. The British decided that the time for conciliation had ended. The danger of alienating the United States, which had shown some signs of adopting a firmer policy, was too great. Chamberlain wrote that Japan ‘had made things impossible, . . . & we must deal with the consequences as best we can.’ The Japanese were equally determined to pursue their ‘New Order’ and towards the end of August it seemed almost certain that Britain and Japan would go to war. British Ambassador Sir Robert Craigie later wrote that the younger Japanese officers (who, it is worth noting, often exercised more power than their nominal superiors) ‘were determined to exploit the [Tientsin] affair to the point of war’ and that Whitehall had information ‘showing that the Japanese General Staff had their plans fully laid for a single-handed war with Great Britain.’

The situation was saved, most ironically, by the Germans. The announcement that Germany and the Soviet Union had signed a non-aggression pact on 22 August threw the Japanese into a tailspin. Japanese policy had been based on the 1936 Anti-Comintern Pact, and Germany’s betrayal of that pact shocked Tokyo. The Japanese Premier resigned on 25 August, claiming that he had given the Emperor false advice, and his Cabinet fell a few days later. While the Nazi-Soviet pact paved the way for a German attack on Poland, it ensured that there would be no immediate expansion of the war in the Far East. Germany marched into Poland on 1 September, Britain declared war on 3 September, and Canada followed on 10 September. In the meantime, the new Japanese government declared its intention to remain neutral in the European war and, to the surprise of none, so did the United States.

Despite the fact that Canada’s attention had now turned to Europe, the Far East continued to be an area of concern. ‘What may the Japanese not do in the Orient!’ Mackenzie King recorded in his diary on 6 September: ‘There are raiders and submarines on both the Atlantic and the Pacific coasts, and pocket cruisers. I have no doubt that we shall have some bombing of our coast and possibly some inland bombing as well.’ 69 Indeed, between 1939 and 1941 Japan continued to menace British interests while the United States stuck to its isolationist course, providing some assistance but no guarantees of armed support. Canadian officials continued to worry about becoming involved in a two-front war without American support at a time when Anglo-American relations were still sour. They also continued to fret over the defence of British Columbia and the ongoing American efforts to have Canada do more to eradicate the problem.
The problems posed by developments in the Far East in the 1930s added another dimension to the complex international situation within which Canadian officials, and especially Mackenzie King, formulated foreign policy. For Canadian statesmen faced not one but three potential outcomes of the growing tension which marked the 1930s. One was a war against Germany, and another a war against Japan. A third was a simultaneous war against Japan and Germany. Viewed in this wider perspective, the Canadian aversion to overseas commitments, in particular King's support for the British policy of appeasement and lack of enthusiasm for collective security are more understandable. The dilemma in Canada's relations with Japan lay not in the bilateral issues of trade and immigration, but rather in Canada's need to maintain its equilibrium within the North Atlantic triangle. The result in practice was timidity. By hesitating and trying to avoid confrontation, Canada surrendered the initiative in Far Eastern affairs to Great Britain and the United States and thereby ultimately placed the protection of its interests in their hands. By doing so, Canada managed to maintain superficially cordial relations with Japan during a divisive decade, but eventually the nation was drawn into the larger conflict it had sought to avoid.

Up to the Second World War Canada—as a 'small country' caught between the U.K. and the U.S.—had virtually no presence in international politics. The second war, however, had a revolutionary impact on Canada's foreign policy. With the boom fuelled by military demand Canada experienced economic growth that propelled it into the ranks of economic powers in the postwar period. Meanwhile the decline of the U.K. only strengthened Canada's sense of independence, at the same time that a new self-confidence enabled it to withstand pressure from the U.S. Led by Prime Minister Mackenzie King, Canada sought to establish its credentials as a 'middle power'. Smaller countries, according to this doctrine, should avoid Great Power politics; instead each country should play a part in international politics consistent with its capabilities. Thus Canada's foreign policy shifted from its traditional stance of non-commitment to one of active commitment. In 1948, with the retirement of Mackenzie King, the Louis St Laurent cabinet was born with Lester B. Pearson promoted from under-secretary for foreign affairs to take over the Minister's portfolio. With that, Canada's foreign relations began to change dramatically. Whereas in 1939 Canada had had but seven legations in foreign countries, by 1962 the comparable figure had reached 65. The country played a large part in the establishment of the United Nations and the North Atlantic Treaty Organization, as well as in the restructuring of the British Commonwealth. In addition,
Canada became an active member of the U.N. Atomic Energy Commission and the U.N. Emergency Forces, and contributed to various other international organizations.

Canada’s participation in East Asia, meanwhile, began with aid to China during the war (6.5 million dollars), but was largely passive. After the war, with membership in the Far Eastern Advisory Commission (then the Far Eastern Commission) that oversaw the Allied Occupation of Japan, Canada became an active participant in East Asia. In particular, with the establishment of the People’s Republic of China and the outbreak of the Korean War, Canada found it could no longer ignore relations with Japan as an important element in its overall foreign policy. This point marks the origins of Canada’s new Japan policy and its ‘Pacific-area diplomacy’.

Nobuya Bamba received his PhD in history from the University of California at Berkeley, and subsequently taught at Bucknell and McGill universities and Tsuda College. The first president of the Japanese Association for Canadian Studies, as well as a director of the Japan Association for International Relations and president of the Japanese Association for Peace Studies, he was, at the time of his death in 1989, a member of the faculty of the University of Osaka. Among Professor Bamba’s published works were Manshu Jihen eno Michi [Road to the Manchurian Incident], Japanese Diplomacy in Dilemma, and Kanada (Chūō Kōronsha: 1989), from which the following selection has been taken. Okuma Tadayuki, who edited and abridged Professor Bamba’s observations on postwar diplomacy, graduated with an MPA from the Graduate School of Public Administration at International Christian University, Tokyo, before joining the Japan Institute of International Affairs in 1969. After transferring to the Ministry of Foreign Affairs he served at the Japanese Embassy in Ottawa, and subsequently rejoined JIIA as a senior research fellow. The author of Kanada no Gaiko [Canadian Foreign Policy], Professor Okuma currently teaches in the Department of International Relations of the Faculty of Law at Hiroshima Shudo University.

THE POSTWAR YEARS

Bamba Nobuya, adapted by Okuma Tadayuki
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FROM OCCUPATION TO PEACE TREATY

The Allied Occupation of Japan was administered by the U.S., in particular by General Douglas MacArthur as the Supreme Commander for the Allied Powers (SCAP) centring on General Headquarters. Since Canada’s Japan policy was more or less in agreement with that of the U.S., it planned to achieve its
objectives by supporting the Americans. In general, Canada’s basic policy toward Japan during the Occupation reflected three objectives: (1) that Japan never be able to threaten Canada and the world a second time; (2) that Japan be a democratic state; and (3) that Japan be restored to economic health, and the development of Japan-Canada trade in the future supported.

Canada had two main channels to the Occupation authorities. The first ran from the Canadian Liaison Mission, located in Tokyo, to the Far Eastern Commission (FEC). The latter body was ostensibly charged with responsibility for ‘policy making in relation to the administration of Japan, authority to investigate U.S. government orders and General Headquarters activities’. With such a mandate, the FEC exerted indirect influence on General Headquarters across a wide range of topics, among them revision of the constitution, legalization of the labour movement, education in democracy, establishing civil liberties, demilitarizing the economy, abolishing monopolies, determining indemnifications, and trying and punishing war criminals. The Canadian representative sat in on all those deliberations, of course, but played a particularly prominent role in reconciling different countries’ proposals on constitutional reform. On a wide range of other matters Canada found itself in agreement with the U.K. in advocating a more lenient policy toward Japan, and thus acted as an intermediary between the hard-line faction—the U.S.S.R., Australia, New Zealand and the Philippines—and a U.S. that tended to act arbitrarily and alone.

Canada’s other, unofficial, channel of influence was the first head of the Liaison Mission, E. Herbert Norman. Norman was born and raised in Nagano Prefecture, Japan, the second son of a Methodist minister. Well versed in Japanese history and culture, he was hopeful that Japan could be reconstituted as a democratic and peaceful state. As a Japan specialist, Norman was one of a small number of advisers to enjoy General MacArthur’s trust. He is widely thought to have played an influential role with the Occupation administration at General Headquarters, particularly in regard to democratic education, agricultural land reform and legalization of the labour movement.

Norman argued strongly for consideration of Japan’s historical consciousness and recognition of the ‘will of the people’ in formulating Japan policy. His standpoint was integrated by the Canadian government into its basic Japan policy, and found its reflection in the views of the Far Eastern Commission. In addition, Norman also sought to protect figures esteemed as democratic leaders from pressure from General Headquarters, succeeding through petitions to General MacArthur in getting Ichikawa Fusae, Inukai Takeshi, Kawakami Jotaro and others removed from the purge list of public officials, and in reducing the severity of sentences on war criminals such as Shigemitsu Aoi and Togo Shigenori.

On 17 March 1947, SCAP announced that, by concluding a peace treaty with