Copy of Article on Indochina which was Presented to the Minister by Mr. T. H. White, Representative of Time Magazine, who visited Bangkok October 1, 1940.

INDO-CHINA

Stripped of the protection of the British navy and the prestige of French arms, Indo-China is today the focus of one of the most complex intrigues of the Far East. As one of the richest regions that border the Pacific Ocean it is a luscious morsel for a starving Japanese economy; it is, further, one of the most important milestones on the route traced out by the Tanaka memorial. But the equation of the present situation in Indo-China is not a simple problem of Japan versus France. It is an equation that includes the will of the Tokyo government opposed to the impetuosity of its Canton army; the will of the Vichy government as opposed to the sentiment of the French on the spot; the will of the French on the spot in the light of the DeGaulle movement; the urgency of the German policy forced on the Vichy government by the armistice commission at Wiesbaden; the government of Indo-China confronted by a native population which hates its overlords and awaits only the first sign of weakness to cast in its lot with an alien invader; the desires of the Chinese and their ability to march to the aid of the French in time to save them; and finally, the pronouncements and policies of distant America and Britain.

Every one of these elements is enough on its own to determine war or peace; and they conflict with each other and interweave so in all the calculations and analyses of the present situation that it is almost impossible to distinguish bluff from reality, policy from fantasy.

The problem begins with Japan. Japan wants Indo-China. But the question is whether Japan wants Indo-China enough to fight for it - it would require at least one hundred thousand troops and great expenses to reduce stubborn French resistance if offered. The Tokyo government may believe that it is worth risking this resistance for the benefits that may be derived. On the other hand it may not. Even if the Tokyo government should back down, it is not certain that there will be peace. Perhaps the Japanese army in Canton and South China (hotheads) may force the issue on their own in disobedience to the will of their home government. The Vichy government, on the other hand, may want to fight - but it may be ordered by the Germans to hand over Indo-China to Japan (in return for Japanese friendship and aid to Germany); the local government in Indo-China is loyal to Vichy (Admiral DeCoux is a Vichy appointee) - but it may not obey the Vichy government; in which case it may fight on its own or stand with DeGaulle. The Japanese have propagandized the Annamites extensively. The French say they are sure of their loyalty - but if the Annamites should turn

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against the French, all is up. America and England have both said that they want no change in the status quo. If the French were sure of American aid (airplanes) they would fight - but who can be sure of American aid? The Chinese say that they will march into Indo-China if the Japanese do - but will they? Perhaps they will let the Japanese expend their energy to the southeast in the hope that they may be given more time to summon up strength. These are the elements of the problem.

The Japanese give as the formal statement of the problem this version: Indo-China is necessary to us as a base against the Chungking government. We desire only to shorten the Sino-Japanese war; as soon as that war is over and peace assured in Asia we have no further interest in Indo-China.

Anyone familiar with the topography of Indo-China and southwest China knows that this is a false pretext. Indo-China is of use to the Japanese against the Chinese as a bombing and a political base - but not as a military base. Japanese ensconced in Tonkin and Hanoi might be able to woo Long Yun to disloyalty; with Yunnan gone, Chiang would have to give in. For military operations against China, Indo-China is almost useless. High mountains and narrow gorges line the frontier. The Yunnan railway runs through the gorge of the Red River into Kunming over some of the most delicately-pitched bridges that I have ever seen. At the first sign of danger these bridges could be cut and Yunnan made impregnable. The situation on the Kwangsi border is similar - the Japanese here could use the French railway and highways to attack Kwangsi - but they are already in command of the northern border of Kwangsi (from the Nanning area) and they have found Kwangsi almost impossible as a jumping off place for further advances into China - it is hilly, mountainous, malarial.

Although Tonkin does not provide a good base for attack on China, it makes a perfect base for attacks on Indo-China. If the Japanese were in possession of the roads and railways in the Red-River delta they could proceed south to absorb the rest of the country at will. And that is why the Japanese are trying to force their way into the delta.

The chronology of the crisis runs like this. I have drawn most of this from word-of-mouth sources that I consider reliable. The story has not yet been printed.

Immediately after the collapse of the French, the Japanese decided to take action regarding Indo-China. Since there was no French government to be found in France, the diplomatic offensive opened in Tokyo. The French Ambassador in Tokyo, Arsene Henri, was informed by the Japanese that if Indo-China did not immediately stop all assistance and suspend all traffic with China, they would move immediately. Seized by confusion, alarmed by the events in Europe, Henri collapsed. He wired the Indo-China government on the 19th of June to accede to all the Japanese demands immediately. Catroux, then the governor of Indo-China, agreed to stop all supplies going in and out of China forthwith. He did. On the 30th of June, the Japanese mission led by General Nishihara arrived by air at Hanoi and

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started their work. (General Nishihara is a tall, handsome Japanese officer, reputedly a moderate, formerly military attache in Paris, speaks French excellently, likes to swim and ride, is very athletic, can hold enormous amounts of drink without showing it, was on the staff of General Iwane Matsui when the troops of that general stormed and took Nanking).

During the month of July the Japanese made merry. Traffic in and out of China, of both military and non-military goods were stopped. Japanese airplanes landed on military fields unannounced, observed and flew away. Other Japanese planes flew over the coast defensces at Haiphong photographing. A Japanese destroyer dropped anchor at Haiphong. No less than 200 "inspectors" arrived in Indo-China to control Chinese trade passing through the border. They were, in conduct and appearance, out-and-out military spies, prowling about the cities and town in which they were stationed, making friends with the Annamites, watching every Chinese movement. Planes that come from Chungking to Hanoi are examined by the Japanese inspectors who get the passenger lists and check carefully all Chinese in-and-out.

During the latter half of July, Vichy, which had begun to function, sent a new governor, Admiral DeCoux, to replace the old governor General Catroux. DeCoux was of firmer stuff than his predecessor. He gave indication of acting up. This the Japanese did not like and they proceeded to crack down on him.

The cracking-down process brings up the problem of the composition of the Japanese mission here. The Japanese mission in Hanoi is headed by General Nishihara - but it includes among its memebers one Colonel Sato, vice-chief of staff of the Japanese army stationed at Canton. Colonel Sato is a tough, beetle-browed, six-foot army officer, shorn of pate, erect of carrige. In the temporary absence of General Nishihara from Hanoi, Colonel Sato suddenly appeared in the Governor's office and demanded (August 1) certain radical concessions. The governor refused. On August 3, Colonel Sato again appeared with the same demands and this time yelled, pounded on the table and made a scene. It is learned, unverifiably, that the Governor called in two gendarmes at which the Colonel quieted. One round for the French.

DeCoux now had the bit in his teeth. On August 7 he reopened the Chinese border for exports; two weeks later he opened Haiphong to Chinese exports. Furthermore, he began to press upon the Japanese to re-open the Chinese border for non-military imports.

Concurrently, negotiations had been proceeding between Vichy and Tokyo. The Japanese were pressing far-reaching demands upon the French. They were demanding, I am told,

1. Full economic cooperation between Indo-China and Japan.
2. Passage of troops.

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3. Condominion over Indo-China.
4. Use of the naval base at Cam-Ranh by the Japanese navy.
5. Japanese immigration in Hanoi.

The Japanese were better informed as to the course of these negotiations than were the French. They knew as early as the 21st of August that the French were about to grant them military facilities in Indo-China. Consequently their attitude to the local people became more and more arrogant.

On Monday evening, the 2nd of September, the situation cracked. General Nishihara, having learned that a formal agreement had been signed between the two governments granting Japanese full military facilities, went to Admiral deCoux late at night and presented an ultimatum. He demanded that the French give him permission before midnight to pass his troops through the country, or else. The French who had been empowered by the Vichy government, only to discuss the details of the military facilities granted flatly refused. Then began the week of crisis here. The details of the crisis make a most interesting little story - unfortunately, it has been censored at the source, and can make no copy now for TIME because it is too late. I was here all through the crisis and in full contact.

No full story of the crisis has yet leaked out; nor is it possible now to write a narrative account of what has been happening. This is a spot for the historian ten years hence, not the journalist of today. Only the documents that the archives will eventually yield up can tell the true nature of the events here. As I see it now - with the crisis still as tense as it was a week ago - this week of speculation and alarm breaks into two portions. The first runs from Tuesday, the 3rd, to Friday the sixth. The second runs from Saturday the 7th and still continues as I write.

On Monday evening the 2nd, the Japanese had presented an ultimatum demanding surrender before midnight. On Tuesday papers bannered out with news of the ultimatum, with black-faced communiques, with pictures in profile of the noble admiral whose attitude "Calm, Dignified and Firm" was lauded; the population was told to hold itself in readiness for any eventuality. It seems that the Japanese mission had overstepped its power in issueing the ultimatum, for on Tuesday morning General Nishihara presented himself at the government-general for another conference with the Admiral. When the Admiral twitted him on his failure to act on the ultimatum, Nishihara left in anger; he was summoned back by the French, but after an hour's talk, the conference again broke up; in the afternoon, the French again requested him to come and talk, and by early evening the negotiations were proceeding in an atmosphere of high tension but proceeding.

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The Japanese were demanding the immediate cession by the French of a number of extrememly important points. They demanded the use of Mongley and Haiphong as ports, the military control of all roads and railroads north of the Red River (i.e. - the belt that parallels the Chinese border) and the use of three French airports as bases against the Chinese. The French were stiffish about these demands, and the crisis spun itself out all through Tuesday and Wednesday. The Japanese had ordered all their nationals to evacuate Indo-China, had summoned to Haiphong all their inspectors and officials on the border and in Hanoi and had caused the Bangkok Maru to put into Haiphong to carry away their prospective avacuees. Whether this was bluff or not, I don't know. The French, too, bluffed to show their preparedness. Haiphong was blacked out; reserve categories were summoned to the colors, and all heavy trucks were requisitioned by the army. Wednesday evening, the tension was most acute; but late it broke. The French collapsed and agreed to the Japanese demands in principle; there remained only the details to be worked out.

Thursday morning, however, an event took place that upset all that had been done before. Hull had issued his statement in Washinton that America desired the maintenance of the status quo in Indo-China, and the news had just reached Indo-China. This gingered up the French; and the gingering was sharpened by Halifax's statement of the same effect on the following day. The Japanese were not alarmed, however. It was their impression that Hull's statement had come just 48 hours too late to make any difference to the French. They thought that the victory had been won. The Japanese about the hotel were cocky, happy, smiling. Their evacuees returned. Friday morning, however, they overplayed their hand. At Dongdang on the Chinese-Indo-China border, a battalion of Japanese troops marched into French territory. Fortunately an incident was averted by the French officer commanding and in the afternoon the Japanese troops withdrew to their own side of the border. Japanese flew over French territory that day and the next day too.

Saturday morning Generals Nishihara and Tominaga called on Admiral DeCoux to tender their apologies for the incident. Then, without warning the situation suddenly took a new turn. The apologies were accepted by the French, and negotiations began normally. General Nishihara asked Admiral DeCoux when Japanese troops might come in. The Admiral was not sure of the date. Nishihara said it was unimportant whether the time set was three weeks or a month. He wanted only to have a definite date set for entry of troops. DeCoux said it was impossible for him to give a definite date. Both then became angry; and the French - stiffened by America's attitude, irritated by the Dongdang incident - held firm. They would not set a date. Negotiations abruptly ceased and the situation again became as tense as it had been on Tuesday morning. Colonel Sato, the fire-eater, flew back to Canton; other Japanese officials flew to parts undisclosed; the Japanese mission memebers again packed their bags. Nishihara stayed on in Hanoi awaiting instructions from Tokyo;

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and DeCoux held firm, awaiting further instructions from Vichy. Thus the situations rests today - and I hear that Admiral DeCoux has invited Nishihara to lunch and Nishihara has accepted.

That is the bald outline of the story - but it has been so interesting to watch from here. The Japanese have been almost comical in their sudden shuttling back and forth from the Hotel Metropole to the Japanese destroyer at Haiphong. They have scarcely got their clothes out of their bags this week with all the commuting they have done between the port and the capital. It has been hot here all this week - hot and sticky; and each afternoon, no matter how tense the situation French and Japanese pad back to the Hotel Metropole for their afternoon nap. The French for the most part act unconcerned; the towns are blacked out, but the sidewalk cafés are jammed with crowds, taking their "citron pressé" in the shade; for the most part they are abysmally uninformed, feeding on the sterile communiques and fantastic rumours. The natives of course, don't give a damm. They live in the native city, ply their trade, squat on their haunches in the sun and yawn. In the evenings, in some of the native cities, criers circulate beating gongs and bells calling on the people to make sure that they black out their lights and take all precautions if a raid should come. But on one cares - it matters little to an Annamite whether it be Japanese or French who lords over him.

Thus the situation rests at present. A prediction is absolutely impossible. Either the French or the Japanese or the Canton army or all three may be bluffing; or none of them. What the Chinese will do is equally difficult to discern. Chinese residents here are packing and leaving; Chinese troops are massing along the Kwangsi border.

THE FRENCH OF INDO-CHINA

To understand the present crisis it is necessary to know with what manner of man history is being staged; it is necessary to examine the Frenchman who governs Indo-China.

It is difficult to characterize these people. They are, first of all, small men. There are none here of the imperial breed. There are no Clives or Raffles here; no Dupleix or Francis Garniers. There are soldiers here - about 7,000 Frenchmen. They hold the country in submission with their bayonets, their rifles and the aid of one or two thousand native levies. Then there are the business-men. French business-men, slow, unaspiring, not overly inefficient, gentle, frugal, content to turn a modest profit in a lazy fashion. They go to their offices at seven in the morning, work to eleven; then eat and siesta till three and work again till six. They have done little with the colony's resources - they are merchants who wholesale and retail French products to their compatriots and the wealthier natives. They are not entrepreneurs. The tin, the coal, the iron that lie in the hills and mountains of this country have never captured their imagination the way, for example, the coal of Kailan captured the minds of Englishmen. Rubber has been the only product that has attracted them, and rubber development especially in the twenties was

phenomenal;

phenomenal; but the production of the country is still small in world economy, still economically servile to the Singapore exchange, still far below what it might be and ought to be. The French had a railway in Yunnan for over thirty years; yet Yunnan reflects none of the influence one might expect fo find there. Until the China war the railway was always underused, and the contact it gave with China unutilized.

The tone of life in Indo-China, however, is set not by the business-people, but by the bureaucrats, the office-workers, the men who staff the government, the "fonctionnaires". "Fonctionnaire" has a certain French odor about it that is untranslatable - it is the odor that tells the story. The officials are good people, many of them devout, many of them smooth and polished and graceful. But as a group they have the small way of thinking that sees everything in microscale. They live in fine homes on good salaries, their families visit each other in the afternoon; they have automobiles; the children have bicycles. But they are a narrow-minded people; they abhor change; they execrate the Popular Front; they despise the natives; they love to count their pennies; they are intolerant. There is not a spark of adventure or imagination in a carload of them. Many have lived in Indo-China the major part of their mature lives; but few have gone to visit China three days up the line by rail; few have gone to visit Hongkong or Manila or Shanghai. They are content with their way of life, with the small provincial mores they have imposed on the country they rule; and they tremble now at the thought that others more vigorous, more powerful, more rude than they may be about to bring it to an end.

Their administration of the country reflects their collective personality. Indo-China is a well-run colony by the standards the French set. There are good roads in it; and good hospitals; and good schools. The army is compact and well-organized and the civil administration is a monolith of neat bureaucratic construction. Every village has its French official with his finger on the pulse of affairs; the larger towns and cities have larger quotas of officials carefully, paternalistically guiding events as they think events should go. All life flows along in neat, pigeon-holed, book-keeping categories. But, -

The red-tape reflects their personality, too. Red-tape afflicts every enterprize in the country, stifles it. Forms to be filled out, officials to be interviewed, time to be wasted; time means little to these people, the form means all. The Chinese when they used the country were loud and eloquent in their complaints - and the Chinese are suckled on red-tape from the beginning of their active lives. To cash a check in the Bank of Indo-China requires fifteen full minutes of waiting.

And the curruption, too, reflects their personality.

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The higher officials at the top are incorruptible, as is to be expected. But as one travels down the scale of fonctionnaires to the little men at the frontier posts, the men who inspect the customs, the men who deal with licenses and permits - there corruption flourishes, verily, as the Green Bay Tree. The French were really more than generous with the Chinese during the period that stores were entering the country - the policy laid down by France was one of friendship and the local government so administered it. But the friendship they could have had from the Chinese in return was lost by the horrible conditions of graft and curruption among minor officials who checked Chinese goods coming in and out. Red-tape enmeshed the wheels of every truck of cargo the Chinese sent in; and only the most shameless greasing of the palms of the little "fonctionnaires" could loose Chinese cargos for quick and efficient transportation.

The French - the 28,000 French here (1938 figure) - think of this as their country. There are 23,000 natives here; and the 28,000 Frenchmen and this is French Indo-China. There are French of all kinds here. French business-people from Paris; provincial intellectuals; some excellent scholars and doctors. Many Corsicans are here, both in business and acting as lower officials. There are French colonials here from all the Empire. Senegalese, Arabs with fezzes, natives from Martinique. The Catholic church is here - a powerful influence, grown more powerful yet since the armistice was signed. The French have doubled the country's production of rice in twenty years; yet its standard of living is said by some authorities to be the lowest in the world. They have built good roads; they have; in Cochin-China brought trachoma under control; they have in their Ecole Francais de L'Extreme Orient, one of the most illustrious seats of scholarship in the world - from this school emanates almost all we know of the civilization of Ancient Cambodia and the Khamers, and some of the most significant pieces of research on Buddhist art and culture. The French have here an opium factory and opium is a government monopoly, 10,000 tons of the drug is sold by the government each year and another five thousand tons is smuggled in. Opium dens, ornately appointed, are to be found in all the major cities. Girls are easy to be had; and in the Hotel Metropole, the most distinguished hostelry in the capital, little Annamite girls knock on the guest's door nightly to offer their lovely (but syphilitic) bodies for a few piasters. All this is French Indo-China.

French sentiment is now in a state of inner turmoil - the armistice , the new government, the DeGaulle movement, the Japanese demands all confuse it. After the collapse of France, the French in Indo-China insisted that they would go on fighting; General Catroux declared that Indo-China was still at war with Germany; and the British resident here were hosts to streams of French guests assuring them of continued support. It did not take very long for the first patriotic flush to fade away; the Vichy government was organized; news from Vichy began to pour in; telegraphic communication was re-established; and the fonctionnaires

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and their wives began to consider the balance of piastres and cents. The average middle-aged fonctionnaire is assured of a comfortable pension and a pleasant life to the end of his days. Should the fonctionnaires cast in their lot with DeGaulle and his adventurers; and should deGaulle and all his crew go down to defeat with Britain (as seemed possible at the end of June), why then they would be out of both job and pensions. Unthinkable. (I have actually heard people give that as their reason for adherence to the Vichy government in so many words). When Vichy removed Catroux and appointed DeCoux, the moment for action had come - since the French made no move to break away at that time, Indo-China went to Vichy by default.

There is no doubt that there is live DeGaulle sentiment in this colony. But the DeGaulle sentiment comes mostly from the business circles who find themselves crushed by the British blockade and wish to re-align themselves with the most powerful navy in the world. The movement is strongest in Cochin-China, especially in Saigon, where it is said that DeGaulle petitions are circulating secretly. It is weakest in Tonkin, especially in Hanoi. There has been talk that General Martin, the commander-in-chief of the troops in Indo-China, is for DeGaulle - but that cannot be confirmed. For the most part, the French here would be more than content to go along with Vichy if only Vichy would protect them from the Japanese. They are fed only the governmental news from France, and the papers are heavily censored. Furthermore, most of the people here approve of the Vichy philosophy of government - bureaucracy, paternalism, Things as They Should Be. If it were not for the fact that DeGaulle had the British navy behind him, he would not even have the 20% chance he has now.

DEFENCE OF INDO-CHINA

The defence of Indo-China lies in the hands of some 10,000 Europeans (3,000 Foreign Legionaires) and a horde of native troops estimated at from 100,000 to 200,000 men. The lower estimate is more nearly correct. These troops are well-equipped in small arms and artillery, but they lack ammunition, one estimate setting their supply on hand as low as a month. The French have much confidence in their land and shore defences. But they claim that they will be overwhelmed by the Japanese in the air. The estimate of French planes runs from as low as forty to as high as ninety. I hear that they have two squadrons (24 or 30) of Morane pursuits (with 37 mm that fire through the crankshaft) about twelve or fifteen old bombers and a number of other assorted craft, all old and inferior. They have many pilots and say that they can if they get the planes man 200 craft.

The matter of planes brings up their favorite gripe against the United States. When the Armistice was signed, Indo-China had on order a number of planes in Washington;

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our government has refused to release these planes to Indo-China for her own defence despite the repeated assurances of the French here that these planes will not get to Germany. A commission of Frenchmen sent to America to try to get release on those planes has been there since mid-July endeavouring to get some action; but without result. If this is true then the protest of Hull to Japan about the status quo of Indo-China is only a grand-stand play.

The French have a negligible fleet in Far Eastern waters (I could not find out how much) but they have an excellent base at Cam-Ranh, half-way down the coast, which is the best naval base between Singapore and Hongkong. It dominates all the waters on the Pacific side of the Malay peninsula and its occupation by the Japanese would greatly add to their naval power.

The topography of the country does not give the French much comfort. Indo-China is the meeting-place of the southern fringe of the Asiatic plateau and the Pacific Ocean. A narrow strip of level land lies along the coast indented at two points by the deltas of two great rivers, the Mekong and the Red. In the level strip and in the two deltas live most of the population. Back from the level land rises the mountains that lead up to the Tibetan plateau and the Himalayas. With a good navy and a powerful air-force, an enemy can make a landing at any point along the narrow strip on the deltas and mop up the lowlands in no time; it would be difficult for the enemy to fight the holders of the land in the mountains or to get through the mountains to China. But since the French are the conquerors of the land, not the holders of it, they cannot retreat to the mountains and turn to the people for aid. They must stand and fight the Japanese along the shore line where it is most difficult.

The French in their military consideration of the problems of Indo-China have always projected the Chinese as the enemy. Consequently Tonkin and the Chinese border is so divided into military districts as to facilitate operations against the Chinese. There are many good highways and too railways in this area - and it is this set up that the Japanese now claim they want to utilize. Once the French give the Japanese this military belt along the Chinese border with its good roads and facilities the Japanese can use it as well for operations to the south as to the north. At present the delta of the Red River (site of Hanoi and Haiphong) is flooded; but the rainy season ends early October, and the roads will then by dry enough to offer passage to tanks and other heavy vehicles.

In any Japanese attack, the French could expect aid from the Chinese (although they fear the Chinese almost as much as the Japanese). The Chinese could send down hordes of troops; and they could promise the French a constant supply of ammunition for their small arms. It is China as a source of supply that is so important to Indo-China. Small as China's industry is, it is an industry that is still functioning. The French have plans of war industries here,

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ut nothing concrete. In September 1939, the Schneider interest undertook to build an arsenal here; Mandel, the Minister of Colonies, had plans for building an aircraft assembly plant here - the ground for this plant has been cleared, but nothing has come of it.

A constant consideration in the defence of Indo-China is the loyalty and ability of the native troops. The Annamites as a group hate the French; but some of the soldiers in the army have been soldiering for twenty years and may have developed a certain organizational loyalty. Annamite troops have never been tested in battle. They were used only as labor corps in the World War; the French claim that they will make good troops and firm fighters if led by white men; but admit that if left to themselves to stand and take it, they will probably crack and run.

THE RESOURCES AND ECONOMIC DEVELOPMENT OF INDO-CHINA

The French have tried always to keep Indo-China bound in servile fealty to the mother country. Economic development as it has been permitted has been always of a nature to add wealth and strength to French economy; it has never been of a nature to give Indo-China power and strength of its own.

Indo-China is basically an agricultural country; ninety percent of the population lives from the land. In the world economy it stands as one of the greatest rice-exporting nations - it raises annually 7,000,000 tons of rice of which 2 millions are exported. The French, to their credit, have done everything possible to stimulate the growth and development of rice cultivation. Irrigation projects and conservation works have been erected all over the country with such success that the prodction of the grain has doubled in the past twenty years. The rice-producing areas of Indo-China are two - the Tonkin delta of the Red River and Cochin-China delta of the Mekong. It is from the Mekong delta and from Saigon that emanate the great rice exports of the country to all the world. In the past, France has taken the largest share of Indo-China's rice, absorbing from one half to two thirds by herself. On the French market, Indo-China rice supplanted the grain from the Argentine and Roumania for fodder for farm animals. Rice is the great agricultural export - although some 500,000 tons of Indian corn was also taken to Freance in normal years as fodder.

The most important new development in Indo-Chinese economy, however, has been the growth of rubber culture in the Saigon region. In the 1920's when the price of rubber was sky-rocketing, French capital poured in. From a pre-1920 average of 200 million francs a year in investment, capital entering the country from 1924 to 1930 reached an average of between six and seven hundred million francs. Plantations were cleared by burning down the original semi-tropical forests of Cochin-China and replanting with rubber trees. Some of the world's largest and most efficient plantations are now to be found there. The rubber plantations of

Indo-China are only now beginning to bear and produce. In 1937, 45,000 tons of rubber were exported; by 1943 the present acreage under cultivation should be bearing 100,000 tons annually. Economically, French rubber is linked to the Singapore market which determines its price; but in the past year, several American boats have called at Saigon to bear rubber directly thence to the States.

These are the great export products of Indo-China. Her imports consist principally of manufactured goods, the greater part of which are (or were) supplied by France. Textiles are the largest item on the list of imports and French textiles held the market completely - and artifically by virtue of French imperial organization. All French products enter Indo-China duty free, while high tariff barriers exclude competitive goods. Quotas reduce still further competitive imports when tariffs alone will not do (American motor cars for example).

The standard of life in Indo-China is said to be one of the lowest in the world. The people live on simple fare (rice, fish, vegetables) and are clothed, for the most part, in native-woven cloths. The great export surplus of Indo-China (1937: Exports - 2,600 francs, Imports - 1, 580 francs) returns to France in heavy profit on investments, in salaries, annuities and leaves for officials, in interest on debts. Little of it is used to add to the productive machinery of the country, thereby to raise its standard of living. Little attempt is made either to make use of the mineral resources of the country. The country is shrewdly and skillfully managed by the French for one single purpose; to benefit France. The people of the country are encouraged to labor long and hard, and are given technical aid in this labor; but nothing is ever done to make their labor blossom into a fuller life.

The present plight of Indo-China seems to be one of divine economic retribution. The collapse of France and the English blockade have suddenly transformed it from a dependent dog in French imperial economy, to an entity that must exist alone. And it cannot exist alone. Its rice surplus and its rubber exports must be sold abroad; and it must have its imports of textiles and manufactured goods from an industrial power. The answer to the problem is Japan.

Indo-China fits into Japanese economy like a key in a keyhole. Japan is hungry - she has been hungry since the beginning of the Sino-Japanese war. The two million tons of Indo-China rice will just about fill her stomach. Japan has large stocks of textiles in her warehouses that no one wants - Indo-China needs them. Japan needs rubber. Indo-China has it. Japan needs tin - Indo-China has it.

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iron - Indo-China has some of the best in the world.

Japan has eyed Indo-China hungrily for more than a decade - for years before the outbreak of the European war, she endeavoured to secure a lowering of the tariff barriers on her products. The balance of trade was always abnormally in favor of Indo-China (the Japanese consul here says that the ratio was 10-1; he wouldn't supply figures and the government hasn't got them handy; I think it was less than 10-1 but still preponderantly favorable to Indo-China). Japan took much anthracite coal from here (almost a half of the exports), almost all the iron ore exports, and large quantities of rice. In return she was allowed to send Indo-China some porcelain ware and silk cloth - but only through the intermediacy of French agents and French firms.

It is now not only a question of Japan insisting on favorable economic treatment, but a matter of necessity for Indo-China too that she trade with Japan. The whole economy of this country seems to be about to go forfeit to Imperial Japan. We could, if we wanted, contest Japan's right to this country's yield. We could supply Indo-China with industrial goods if we chose to send them in return for rubber - but American business-men have not been alert to the opportunities here. No American shipping line has any regular service from any Indo-China port to either America or Manila.

There is no available account of the resources of the hills of Indo-China. There are vast quantities of the finest anthracite which are under-exploited and under-developed; there is iron ore of exceptionally high content which has been worked mainly by Japanese firms operationg behind French facades; there is tin here - 1,500 tons are exported annually. There is wolfram here - 500 tons of it leave the country each year. Furthermore there is lead, antimony, manganese, chromium, zinc but they are spoken of only vaguely, as if no one knew what they really amount to.

Yesterday, (Note: this is incorrect, only a rumor) I am told, a German economic mission arrived by plane from Chungking via Russia. This brings up interesting possibilities. By applying the heat in Wiesbaden, the armistice commission can force the Vichy government to apply Indo-China's economic resources to Germany's needs. As I figure it, an arrangement of this sort will probably be made; Japan and Germany will share Indo-China's tin and rubber exports, which will be carried by Japanese boats to Valdivostock for transshipment by Siaberia to Germany. This will make a nasty hole in the British blockade. I don't think that the British will dare to stop Japanese ships plying between Indo-China and Japan.

THE ANNAMITES - AND A BIT OF HISTORY

So far this has been an account of the superstructure

of

f Indo-China, the mind and will of the Frenchmen who irect its life. Underneath this thin crust of French business nd administration are the natives - and a more forlorn nd hopeless nation never existed. Certainly a nation f 23,000,000 people inhabiting a country as large as the State of Texas, rich as this country is in resources, would have no need to fear Japanese aggression. But the Union of French Indo-China is not a nation - it is a whining, cringing, gutless mass of coolies, part mule, part goat, part rabbit.

Indo-China is the correct designation for this country for it is the meeting-ground of the Indian and Chinese cultures. Of the 23,000,000 people who inhabit it, 70% are Annamites who live in the coastal belt and the deltas; the rest are mountaineers similar to the Miaos of China, Cambodians, Siamese, a few hundred thousand Chinese who have come here from Canton and 43,000 Europeans, 28,000 of those are French and the rest is mostly half-caste with European legal status. The native culture is predominantly Chinese in Tonkin, in the basin of the Red River where Chinese arms often ruled and where native rulers traditionally were fiefs of Peking; the culture is predominantly Buddhist - Sanskrit-Indian in Cochin-China and Cambodia (the basin of the Mekong river) where flourished the great civilization of the Khamers in the twelfth and thirteenth centuries (the ruins at Angkor are the remains of their labours).

The Annamites are a mixed people ethnologically - a strain of Aryan blood, a large admixture of the Polynesian and the Malay, and a great part of Chinese. Their history is a record of princelings and emperors fighting up and down the coast some times with each other, some times leagued against the Chinese, sometimes against the Cambodians (the ancient Khamers).

It was the Catholic church which first brought French influence to Indo-China, and the persecution of the Catholics served as the pretext for the entrance of France into the administration of the country. In 1625, a Jesuit priest, Father Alexis of Rhodes, a native of Avignon, entered the country to preach the gospel. It was he who first devised a written language (in Roman characters) for the Annamite tongue, and it is his transcription of the tongue that is the official national written language today. French missionary influence was followed by French commercial influence in the eighteenth centure. It is in the early nineteenth century that ferocious persecution of the Catholics began in Annam. In 1858 two Spanish Catholic fathers were murdered by the native state and their murder served as the pretext for the action of Napoleon the third. Napoleon, already jealous of the fruits of the British Opium War, sent an armed force to land in Coshin-China. Desultory fighting went on and in 1862 the Annamite court ceded Cochin-China (Saigon) to the French. From this nucleus, the French expanded. In 1863 they established their protectorate over the native kings of Cambodia, in 1885 another protectorate was set up over the Emperor of Annam, in 1893 yet another protectorate over the tribal Laos. The leased territory of

Kwang Chou Wan

Kwang Chou Wan which they secured in 1899 and completed the expansion of the French in this part of the world. Indo-China is now officially a Union of the three protectorates, one colony (Coshin-China) and one leased territory under the governorship of a single Governor-General.

This is the structure of the State. Within this structure, the French have ruled and done their works. They have strung a railroad along the coast, another into Yunnan, a third into Kwangsi, a fourth almost to Siam. They have set up a system of native schools and taught a sufficient number of Annamite doctors, intellectuals, and officials to help them run the country. They have established a good hospital system and an excellent cultural research institute. Their public works, though slow, will last - roads, irrigation projects, etc. They have intermarried with the natives and filled the large cities with a progeny of mixed blood. But they have earned in the course of the sixty years of their rule the sullen and abiding enmity of ninety percent of the people who labor beneath their guidance and protection.

The Annamites hate the French. Of this there can be no doubt. Although the French insist on the loyalty of the Annamites, there is not a single foreigner in the capital who does not think that when the day comes they will turn against the French. Whey this should be so is not difficult to find out. The French strictness in their colony is one that borders on cruelty. The French as individuals beat and cuff the natives around the street. They kick them and strike them for disobedience. They are brutal in their personal relations, mean in their economic relations. The French claim that they do not wish to spoil the natives - but they have ended by souring the natives against everything French in French Indo-China. It is the personal treatment of the natives by the French which is the greatest cause of their hatred - the hit-and-run drivers who pass through the native quarters; the masters who beat their servants for slight mistakes; the police who sow the native quarters with spies and informers.

The French keep the natives under the closest surveillance. The Surete operates here as the Gestabo operates in Germany. The slightest manifestation of any native organization going on is met with the severest punishment. Communism and socialism are seen by French officials everywhere - even when the Communist party was legal in France, communism in the colony was forbidden. All foreigners arriving in the country are watched strictly to see whether they make contact with the natives. Police agents go through the bags of residents in the hotel here when the guests leave their rooms.

Doubtless there are secret societies among the natives. There is a society called the "Out with the Emperor Society" which proposes to out the present protected Emperor in Hue in favor of the pretender to the throne, his uncle, who is now in refuge in Tokyo under Japanese

protection

protection. The pretender recently broadcast in Annamese to this country from Tokyo telling the people of the friendship of Japan. This society has its greatest following among the native intellectuals who undoubtedly hate the French most.

The Annamites are poor people out of which to make a revolution. They are a spiritless people and so economically depressed that they can be bought to do anything for a piastre note. They tell tales about each other, cheat each other, are jealous, striving, so desperate to escape from economic misery that all other considerations of life are lost to them. They display the same volatile temperament that one finds among any people oppressed over a long period of time - commercialism, lying, undependability. It is not their fault - but so they seem to be. Only freedom breeds men.

In the muddy Annamite waters, the Japanese have been earnestly fishing. The Japanese inspectors at the hotel have been sedulously cultivating the brow-beaten hotel coolies - they chum with them, pat them on the back, befriend them, tell them that when the Japanese take over this country they'll all be well off. The Japanese have set new standards of tipping about the hotel with their extreme lavishness and the beggars in the streets think that the Japanese are nature's most noble creation. Rickshaw coolies who are usually paid only ten cents for a ten minute ride are paid by the Japanese at least a full piastre. Some times the Japanese outdo themselves in crudeness - in one of the cafés recently a Japanese was seen treating any Annamite who entered to tea and cakes. In addition to their largesse, the Japanese have already spread agents about the country sedulously disseminating propaganda. Among the overseas Chinese who live here they have planted Wang Ching-wei men (Wang Ching-wei's brother in-law is here in Hanoi now). Among the intellectuals they preach pan-Asianism - Asia for the Asiatics - and it is a doctrine that has powerful appeal to the masses. The French, who censore their newspapers heavily, prevented the local press from printing the terrible deeds of the Japanese in Nanking and north Chine, have prevented the natives from finding out the true nature of the Japanese military expansion. The Japanese have also spread the idea that the Chinese troops are undisciplined bandits; and have made many intellectuals here believe that Chinese troops entering Indo-China to defend it would rape and loot every village through which they passed. Recently, it was reported, - unverifiably - that a vote was taken in one of the high schools for the natives. The three hundred boys voted in secret ballot among themselves as to whether they would prefer French or Japanese rule. One boy is said to have preferred French rule.

Communist sentiment among the intellectuals - if there are any - seems to me to be rather stupid. It is impossible to get any information about them - but from what I hear it seems that their present policy would be to rise against the French the moment the Japanese attacked.

It must not be overlooked that there are a great

number

number of natives who would be pro-French. The army and its native sub-officers would probably be French partisans. Many intellectuals who have learned to think French and whose jobs depend now on their knowledge of French have a stake in the continuance of French rule. I suppose they would support the French in a crisis. Unfortunately, the French have kept this country in such a state of economic development that there is no large Annamite middle-class or capitalist class bound to the structure of French administrationaand numerically large enough to count. This country consists of peasants and coolies, a few intellectuals (most of them disaffected) and the French rulers. Remove the French and substitute the Japanese and life goes on just as it has before.

HANOI (COLOUR)

From what I have written so far, Indo-China must appear as a drab, colourless prison camp. This is not so, it is flashing, vivid, full of sun and sparkle and colour. I have seen only the railway, Hanoi and Haiphong. But Hanoi is a city worth putting in the files.

The French are proud of Hanoi - and they have full right to be. It is a neat city, clean, well-paved, spaciously designed. The quarters in which the French live - and from which they rarely emerge - are cut by broad immaculate avenues and boulevards protected from the tropical sun by overhanging trees laid out in paralles. The city is quiet - there is none of the clatter and jangle here that harass the ears of other oriental cities. The rickshaws are the finest east of Suez with padded seats and subservient speedy pullers; "cyclots" are also available, rickshaws propelled by bicycle pushers; bicycles are everywhere and there are many French and American automobiles on the roads.

The French have made their residence a handsome place. The public buildings are well-proportioned, pleasing to the eye, their construction firm and roomy. At intervals in the squares are statues of the French great - the statue of Foch most important of all; there is a statue here, too, cast from the same French model as our own Statue of Liberty in New York. The avenues are named for the French buccaneers who subdued this southern Empire.

The town is one of some 150,000 population of whom 6,500 are Europeans. It would be a pipe to bomb from the air. It lies right by the banks of the Red River whose dikes rise above the level of the city itself. The river and the converging railway tracks would make the city easy to find from the air. The town is built on low flat lands on a river delta. The ground is wet and the ground water is so high that dugouts cannot be cut into it, and the trenches thrown up in the parks and along the thoroughfares are frightening things to a man who has just come from the great stone caves of Chungking.

The Europeans live in two large quarters that are

connected

connected by a single boulevard which changes its name several times in its course. The boulevard which connects the two European quarters (one the government district, the other the business district) resembles a giant causeway built over a swamp. The swamp is the native city which lies all about the French quarters. Here the natives live as natives throughout the Far East in the utmost squalor, twelve or thirteen to a dwelling, trading and plying their handicrafts.

Socially, Hanoi is a second-rate provincial town, its tone being set by the French officials of the government general. The French officials have achieved an enviable standard of graceful living in their fine homes. They have good food here and good cooks. Music is supplied by recordings and sometimes in the winter season by the native guard band; movies are French, usually poor, sometimes a good but very old American film.

The only element of social life here which is not provincial French is the vice. There are some first-class, excellently equipped opium dens here, complete with girls and bedding; whoring is cheap - and the Annamite girls are of easy virtue. Prior to the Battle Flanders there was much dancing and merry-making; singsong girls were imported to Hanoi and Haiphong by the Chinese who were routing the bulk of their traffic through Indo-China at the time, and singsong girls gave a high polish to the town's vice. The French who are be-familied and cannot enjoy the life of lust of the unattached young Frenchmen enjoy the sidewalk cafés in the town's main shopping districts, here in the afternoons after siesta time or on Sunday morning one may see everyone one knows sipping a beer or an apertif. There is a single ice-cream parlour (American style) and the wives of the officials usually meet here in the afternoons for a little splurge American style.

The life of the streets is attractive to the eye. The French women seem to be still in the bleached-blonde stage, every second woman one meets is a dyed blonde. Shorts in gay colours are the order of the day and the women flounce about town gayly exposing enormous (in some cases) expanses of French flesh to the tanning effect of the sun. Most of the youngsters and many of the women have bicycles which constantly fill the streets. The natives are even more striking than the French. Both men and women dress in the same fashion, long white pants and waistcoats that fall almost to the knees. The colour scheme is usually all white or white pants and black waistcoats. Young girls seem to like to have their waistcoats in purple and there is nothing more beautiful in Hanoi than a young Annamite girl strolling slowly down the street in brilliant purple waistcoat, long white pants, and her single plait of shining black hair falling in back far behind her waist-line. In the native quarters an added touch of colour is supplied by the Arab shop-keepers from the African Empire with their red fezzes, their swarthy faces, beady eyes, squatting cross-legged on the counters of their shops.

HAIPHONG..

HAIPHONG

Haiphong, the port of Hanoi, is be contrast a drab city. Gray, dirty, it is obviously a commercial town. Prior to the closing of Chinese traffic, life here was more pleasant and less conventional than life in Hanoi. There are quite a few Americans there and many Chinese with excellent Chinese restaurants and dancing halls. Since the suspension of Chinese traffic, the town has shriveled to nothing, the hotels are empty, the streets quiet, the Chinese and Americans gone.