

fact. It is doubtful whether such tactics will succeed, however, since Great Britain seems willing to extend the projected alliance to cover eventualities in the Far East, should Japan decide to join the anti-Comintern military pact. On the other hand, there is the possibility that the sensational reports regarding the border incident are mainly for home consumption and for the purpose of swinging popular opinion in favor of closer collaboration with the axis powers, by stressing the ever-present danger of a Russo-Japanese war. Japanese military circles have

been greatly exasperated by the opposition of government and business circles to Germany's proposal that Japan should join the Italo-German military pact, but have by no means given up their efforts to bring about their government's adherence. Whatever the reasons, it is most unlikely that the present incident is anything more than one of the many pinpricks which constantly keep the Japanese on the *qui vive* on the Mongolian-Manchurian border; but which will hardly develop into anything more serious than a mere local clash.

The Anti-British Movement

CONSIDERABLE concern is being felt in British quarters at the increasing anti-British movement, which is being fostered in the Japanese-occupied areas of China by the Japanese Army and the various administrations set up in these regions under Japanese sponsorship.

Particularly noticeable during the past few weeks has been the anti-British agitation which is being carried on in the part of Shanghai north of Soochow Creek where the Japanese are in full control. Various parades and meetings, mostly participated in by children and laborers, were held, during which anti-British speeches were made and anti-British slogans shouted.

The recent strike in the Lun Chong Cotton Mills at Pootung, which still remains unsettled, is understood also to be political in nature, being another manifestation of anti-British agitation. Other British mills in the area are said to be also threatened with similar labor troubles. At least this would seem to be the case from the statements made by the *Taikiru Shimpo*, the Japanese daily, and the *Sin Shun Pao*, Japanese-sponsored Chinese newspaper, which are actively supporting the strikers.

These manifestations are not confined to Shanghai alone, as reports from Nanking, Soochow, Hangchow and other places show that similar movements are being encouraged in these areas. When questioned by foreign correspondents a short time ago, the Japanese spokesman in Shanghai admitted that such agitation was being carried on by the controlled press in the occupied territories, but declared that the Japanese authorities did not intend to attempt to suppress the movement "as long as peace and order were not disturbed."

Way off in Kaifeng, the capital of Honan, the puppet administration set up by the Japanese is likewise attempting to turn the population against the British, as evidenced by the recent speech read by the new pacification commissioner in which he blamed Great Britain for all China's misfortunes.

The present Japanese agitation for the revision of the status of the foreign settlements in China is also directed mainly against the British, who hold the largest interest in these areas. In fact, the whole blame for the landing of foreign marines at Kulangsu following the landing of Japanese sailors on the island is placed on the shoulders of Great Britain, who is accused of "aggravating the situation". In Shanghai, it is again the British who are singled

out for attack by the Japanese press in connection with the Japanese demands for a revision of the land regulations.

While the anti-British movement has been much in evidence of late, the hostile Japanese attitude towards Great Britain has been manifest from the outbreak of the hostilities. It will be recalled that in many cases, while the greatest respect and courtesy were accorded by the Japanese military to foreigners of other nationalities, particularly Americans, British nationals have time and again been singled out for special insult. This was particularly noticeable after the fall of Hankow, when, despite the special efforts made by the British to placate the Japanese, British residents were subjected to special discrimination and restrictions.

The reason for the Japanese attitude is a simple one. Japan has definite ambitions in certain regions of China, where British interests dominate. Japan can only fulfil these ambitions by driving the British out. Great Britain, however, is ill disposed to give up such a rich stake without a fight and Japan sees herself balked on every side in her attempt to set up a "new order in East Asia". Thus resentment against Great Britain has grown until the hostility has become quite open, with no attempt being made to conceal it. While the Japanese attempt to undermine the Chinese currency by means of setting up puppet banks has failed as a result of the assistance lent to the Chinese Government in the way of credits by the American and British governments, the American participation is entirely passed over, but Great Britain is flayed for assisting the "Chiang Kai-shek regime".

The anti-British movement is being deliberately fostered in the hope of bringing the British Government to come to terms with Japan. By threatening to turn the Chinese masses against Great Britain, Japan is attempting to force the latter to either accept the Japanese terms or be driven out of China altogether. The great firmness displayed by Great Britain over the Kulangsu affair and in resisting any attempt to revise the land regulations of the Shanghai Municipal Council, however, shows that she is determined not to be intimidated. How successful Japan will be in turning the Chinese masses against the British also remains to be seen. Sentiment among the Chinese population in the foreign settlements and in the areas under the administration of the National Government is decidedly friendly towards Great Britain. The decision of public bodies in Shanghai not to commemorate the May 30 Incident

The Impossible Becomes Commonplace

By PROF. JOHN E. ORCHARD

(A new and united China, different from what he saw in 1932, is the impression of Prof. John E. Orchard of Columbia University, New York City, in a recent broadcast speech to North America. Prof. Orchard, author of "Japan's Economic Position," is preparing a new book on economic conditions in China. The following is the text of Professor Orchard's speech.—Editor)

A FEW days ago I came from Hong Kong to Szechwan Province in western China to discover how a nation, deprived of a large part of its territory, its seaboard, its port cities, its principal arteries of contact with the world, its industrial centres, its iron and steel plants, its cotton mills, its arsenals, its major sources of raw materials, and six-sevenths of its railway mileage, can continue to resist an invader. The answer is to be found here in Chungking where the impossible is being accomplished daily in a hundred different ways. The city itself is amazing. Perched in the clouds on the hills far above the Yangtze River, Chungking in the past has been the commercial outlet of Szechwan Province. Now suddenly it has become the political centre of wartime China, and within a few months of the fall of Hankow, the population has increased from a quarter of a million to over a half a million. There is inevitable congestion, and everywhere buildings are being erected—buildings for government offices, for residences, for factories and for universities. Expansion is difficult, since Chungking clings to the side of the steep hills, and before the buildings can be started, level land must be provided. A pervading sound of the city is the clang of sledge on chisel as the living sandstone is being hewn away by hand for building space, or more ominously, is being honeycombed with a labyrinth of air raid shelters and galleries. To the rickshaws and sedan chairs, the automobiles and trucks that crowd the streets are added streams of coolies and hand-drawn carts laboriously bringing in the required building materials.

In the three provinces of southwest China, Szechwan, Yunnan and Kweichow, China is digging in for a long struggle. Combined, the provinces include an area of 350,000 square miles and a total population of 75 million. It is difficult to appreciate how remote they are, for in America there is no area so inaccessible. Goods have always moved in and out largely by way of the Yangtze, but with the fall of Hankow, that route has been closed, and now, aside from torturous cart roads, access for commodities is only by way of French Indo-China and the railway to Kunming in Yunnan Province, or by the newly constructed highway 720 miles in length, from Kunming to the head of the railway in Burma. From Kunming to Chungking the air distance is 400 miles, but the distance by existing roads is about 700 miles and four days and

(an anti-British memorial day) this year is a significant indication of the pro-British feeling of the population. Nevertheless, the movement will be watched with anxiety by British quarters, for, while it may not be successful in achieving its objective, it can at the same time cause serious trouble, the consequences of which are unforeseeable.

sometimes six days are required for the journey by truck. Perhaps the difficulties of transport can be illustrated by the fact that gasoline brought in over this road now sells in Chungking for more than one dollar per gallon, United States currency, in comparison with the price of 35 cents per gallon before the Yangtze River was closed.

Not only have the three provinces become the base of political activities, but an industrial revolution is taking place. Until the present their economic resources have been almost unknown, and this section of China has been practically untouched by modern development. The population was agricultural and such industry as existed was carried on in the home or in the small workshops. Today, studies of the mineral and other industrial resources of the provinces are in progress, and factories—hastily moved from the war zone—are being re-erected.

I have visited some of these factories and have marvelled at the manner in which seemingly insuperable difficulties are being overcome. It should be remembered that the factory equipment, has been transported almost across the width of China; by railway and steamer where possible—but often by river junk or by carts over primitive roads.

Three days ago, I saw a cotton mill that has been moved from a city in Honan Province, north of Hankow. In February, 1938, 10,000 tons of equipment—excellent spinning frames of American make, looms, the metal work of the buildings and even a stock of raw cotton, started from the original location. In July, 1938, after travel by rail, by steamer, by river junk, a part of it reached its destination in this province. Two junks loaded with materials were lost in the rapids of the Yangtze Gorges and 2,000 tons of equipment are still on the way. By January, 1939, 5,000 spindles were in place and they are now in operation turning out cotton yarn. Next week, another block of 5,000 spindles will be ready and within three or four months the entire mill of 57,000 spindles will be working. For the present, the machinery is housed in temporary buildings, of bamboo and plaster with roofs of matting, but near by a level area is being carved by hand from the side of the hill to provide space for a permanent brick building. Along with the equipment, 50 workers were brought to Szechwan—many of them were mechanics who are assembling the machinery, and 14 were girl spinners whose skill will be passed on to the 4,000 local girls who will operate the machinery of the completed mill. Machine spinning is an entirely new industry in the province and there is no body of skilled labour, but the manager of the mill has told me that the new workers are acquiring the necessary skill with surprising speed.

There are many other new factories, but perhaps