And 11839 NATIONAL AFFAIRS. (This article is written August 2 from Tokyo, with obvious limitations and certain advantages.) All public concern is centered in the Sino-Japanese struggle. Minor military disputes in the course of the highly provocative Japanese maneuvers southwest of Peiping, were seized upon by the higher officers as the occasion for a showdown in North China. The Japanese Government was anxious to take another step in its program of advance on the continent, and was disappointed by the partial resistance in the Hopei-Chahar Political Council set up through its pressure a year ago. On the other hand, the Chinese Government has been working to maintain and even to strengthen its dubious hold in Hopei Province -- that's the real "anti-Japanese policy" so muc h reviled from the Japanese side. Though as usual the negotiations were secret and the demands oral, it is clear from Japanese reports that they included as the preliminary minimum the withdrawal of such provincial troops and regional officials as the Japanese generals might designate. There was strong insistence that the Central Government should have nothing to do or even to say as to the dispute or the proposed reorganization -- this under the euphonious name of "non-extension of the incident". The true aims of Japanese policy were revealed in the negotiations of Sept.-Oct. 1936 (see "World Call" Dec. 1936, "Tragic Drama in the East", which with minor revisions might still stand as a view of the issues at stake); and are now reinforced by a score of "leaks" and hints in public statements of officials and in small news items from the Japanese press. For example, it was calmly said that "after the settlement of the present incident", the notes of the Bank of Chosen (Korea) will displace Chinese national currency in North China; and this month a special conference in Dairen will organize "the economic unification of Korea, Manchoukuo, and North China". The essence of the major policy is the detac hment of the five provinces of North China, with their 80,000,000 people and critically important though not munificent resources, under a regime managed directly or indirectly by Japan. Furthermore, China is to pledge undefined "economic cooperation", which includes assimilation of tariffs among other basic advantages for Japan; "cooperation against international communism", which means marching at Japan's request against Russia; and absolute cessation of "anti-Japanesm", which means no disagreement in deed or in word with Japanese programs. The issue was stated in the customary naive superiority by H. Ozaki in the semi-official "Contemporary Japan": "The Chinese M. Ozaki in the semi-official Contemporary Japan . Incommessed movement for racial (national) emancipation is essentially irreconcilable with Japan's continental policy." More remarkable was an editorial in the relatively liberal "Tokyo Asahi", the best daily in the country, on July 14, a week after the officially named "North China Incident" occurred. Undoubtedly this was intended by a high-minded editor as food for thought among those able to think, but would be read most comfortably by the majority. "It is not in Japan alone read most comfortably by the majority. that there is national unity. In China, the people are lining up with the authorities in dealing with the North China incident. Opponents of General Chiang Kai-shek are reported to be coming to the aid of the National Government in the difficult situation in which it finds itself. The Nanking Government has for years been working for the cre-This policy seems to be incompatible with ation of a modern state. Japan's continental policy. To many observers, the present trouble in North China must have been predictable long ago."

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The independent, extremely aautious "North China Daily News", which has exercised the greatest restraint in order to avoid offence to Japan, and which has constantly urged the Chinese to conc iliate Japan in every possible way, is the soundest source of editorial judgment of the problems of this period. On July 17 the "News" declared: "It is unsatisfactory to note that Japanese opinion is being inflamed, by apparently exaggerated and distorted versions of what happenings of Chinese restraint is still the most striking feature of in China. Indeed General Chiang Kai-shek and his colleagues in the situation. the Government appear to be observing almost unprecedented taciturnity, dignity and discretion. To picture China as deeply moved by events in North China may be fair. To describe that emotion as in any sense flamboyant or provocatively expressed is not only unfair; it is grossly untrue. No doubt China knows her own weakness, just as the observations of Japanese spokesmen dwell emphatically on strength." Again on July 20: "Japan calls upon China to profess an unequivocal friendliness of thought, deed and word toward a people whose representatives by the sanction of armed force claim to be a law unto themselves on Chinese soil She demands economic cooperation at the point of the bayonet. After having absorbed a sixth of Chinese territory (Manchuria), she now asserts an intention to segregate from all practical union with the remainder of China an area which by its resources, traditions and culture in intimately bound up with Chinese destiny from time immemorial No foreign government or nation that is not tied to a rigidly artificial code of thought fails to perceive the nakedness of the aggression under the specious trappings of a falsely stimulated indignation."

In Japan the rationalization of the aggressive policy is singularly feeble in com parison with the justifications produced for the seizure of Manchuria. It is reiterated ten thousand times that the Chinese attacked our troops and we must defend ourselves; then that a sound lesson must be taught; next that the root cause is the insane opposition to Japan artificially fostered by the Chinese Government, against all fact and reason; that force is the only fundamental remedy; and finally in the Premier's recent statement faithfully echoed and paraphrased by the press, the proposition that Japan must "make China return to her original nature as an Oriental nation" -- which means that all other influences and connections other than Japanese are to be purged away.

Mobilization and despatch of second and third reserves, and the collection and forwarding of motor transport are on a scale that astumnds intelligent citizens. It is said that first reserves are being held for possible action on the Manchurian frontier. Five divisions were ordered to Tientsin almost at the cutset. Immediate extra finance "on acc ount of the North China incident" has been jumped fromten million yen to ninety and then to three hundred within a week." There is no doubt of preparation on both sides for a seriousstruggle. The Japanese Government has required every sort of organization, national and local, to declare its hearty support on prescribed lines. The process of making the totalitarian state is sharply quickened, but there are interesting cases of balking not to be detailed here. Every station day after day has its flags and chedrs for departing reservists; yet there seems little enthusiams save from immediate friends; and all sports and holiday enterprises so on as usual.

terprises go on as usual.

The small and inferior units of Chinese troops thus far engaged seem to have done poorly. There is reason to book for a considerable battle in southern Hopei; and if the central knowed what is expected, there will be a real war with and if the central knowed and hostilities down the coast of is not likelihood of blockade and hostilities down the coast of is not prossible here and now to do more than praggest the harm to both prossible here and now to do more than praggest in pressibility of seeing countries in turning to destruction, and the impossibility of seeing any good or lasting peace as its outcome.