The Chinese armies have suffered critical defeats on the Shanghai-Nanking line, and they are obviously driven out of positional warfare into scattered efforts without appearance of strong planning. Foreign experts estimate that fully half of the well trained and experienced troops are now killed or wounded. They drifted away terribly under long weeks of thorough artillery fire and inceasant bombing, against which they could make little reply. Japanese forces in this area were increased to 300,000 effective at the time of our last reliable report, and a foreign military attaché counted 141 warships and transports from Shanghai to Tungchow.

To the cumulative results of persistence under pounding from these forces and hundreds of airplanes, the Chinese added some poor staff work and the serious inferiority of newly substituted divisions. Most striking among these failures was the operation on the north shore of Hangchow Bay, east of Chashu. That region had been previously in good hands, but the troops on guard were rushed to the Soochow Creek battle west of Shanghai. Two replacement divisions from the Manchurian army of Chang Hauh-liang were tardy and timid in meeting the Japanese landings, and turned back through Sungkiang and Soochow, disorderly, looting, worse than useless. Both in Soochow and in Chinkiang central units fired upon them to restore order, killing several hundred.

The Japanese flank attacks from Hangchow Bay and from the Yangtze, both strongly supported by the navy, drove the Chinese back from line to line, unable to utilize adequately their long-prepared positions. There were several severe struggles, but without doubt as to the main movement. Up to the present, the boom in the river at Kiangyin has held strong against the fleet, although the Chinese lost the protective forts after long bombardments. But on the land the Japanese have rushed forward with great energy, doing well with road and canal transport, and giving the Chinese no time to reform any line of sufficient length to hold against flank movements. The process is difficult to understand, since many of the Chinese divisions kept their morale and organization well enough; but they have not maintained adequate communication and coordination, or even proper reconnaissance. Despite the enormous Japanese superiority in the air, Chinese planes are still in evidence, and it seems that they should have been of more direct use to their own armies.

Today the Japanese guns are sounding on three sides of Nanking, and the skies are smoky from the villages burned by the Chinese after the peasants were marched off in weary trek. The Chinese lines near the city seem to have been well prepared, and order in the immediate vicinity is very good. Yet we do not see why the outer defenses should have been let go so easily; nor again, how the army can afford to shut up big forces in this precariously held loop of the river. Indeed, we suspect that the final defense will be a relatively small-scale and brief effort, as is strategically proper but psychologically difficult for a government so strongly connected with this city of Nanking.

The general fear is very great, because of the awful fate of the Chinese portions of Shanghai, and of Soochow and Wushu, plus the ruin and wholesale abandonment of vast areas of intervening country. And the public indications are all for a serious struggle. We are trying desperately, and with fair success thus far, to get both sides to re-
aspect a civilian Safety Zone managed by an International Committee and able to accommodate the remnant of one to two hundred thousand people through a short critical period. Its economic, diplomatic and military problems are a nice side-plot in themselves.

In Shansi the Japanese armies are faltering after gaining two-thirds of that province in a fairly expensive attack. Shantung is still a half-stagnant puzzle. Japanese air raids continue to maul the Chinese communications, and inexcusably cruel damage is done daily to some groups of civilians. Chinkiang, Wuhan, and points near Canton have been the worst sufferers this week, though Soochow and Wuhan experienced the most terrible destruction in their turn. Nanking and Fukow have had their turns with wreckage of bodies that shames even the nonchalant newsmen. A few Soviet planes and pilots arrived at the end of November, the first sign of Russian aid to China. It is not known whether they are more significant than the planes bought and occasional pilots hired from other countries.

The National government is functioning mainly in Hankow, though its formal seat is in Chungking, and certain units are scattered for practical advantage or for safety. In principle things are set for prolonged guerilla struggles and for weariness of the Japanese by the costliness of their extended occupation. But the crushing military defeats, loss of so much productive territory, practical destruction of the "modern" economy and finance, are cumulative in their damage, and real resistance will now be most difficult. German and other interests are attempting mediation, but we do not yet know of any real hope for middle ground between the sweeping Japanese intentions and the Chinese determination to hold some degree of independence. Meanwhile, misery reigns in much of China, and the problems of the future pile up for both countries.

W. S. B.