After six months' vacation of a kind, this article is resumed under a modified title. Free speech is practically impossible. Even the cautious reporting and interpretation now attempted may draw fire from either side as "traitorous" or as "anti-Japanese." Our only purpose here is to seek the truth in a calm, humane spirit; but under present conditions that is a dangerous enterprise. Aside from political perils, there is the impossibility of comprehending the swift and tremendous changes that have taken place throughout vast regions and in important phases of life for hundreds of millions of people. I do not know any mind that has an adequate grip upon them. Centers of activity and of information are now widely scattered: Shanghai, Canton-Hongkong, Nanning (Yuanmouf), Chungking, Hankow, the military fronts, Peiping, Tokyo. Nanking, from which these words are written, is no longer on the list.

The Japanese forces have now conquered an area containing about 150,000,000 people, more than have been taken in any campaign, indeed, in any war, since the beginning of the world. The conquest is at once drastic and loose. In the cities, along the railway lines and the main highways, along the coast and the river-mouths, all independent Chinese authority and organized enterprise has been destroyed. Japanese military and naval control are the major reality, closely accompanied by semi-centralized organs of economic exploitation. Banks, currency, tariffs, factories, communications, are no longer Chinese in the North, but have been made wholly or largely Japanese. In East Central China, the work of destruction and forcible transfer has been almost completed, aside from the portion of Shanghai remaining in battered foreign hands. But naturally there is less to show at the end than in Tientsin and Peiping, where the Japanese were already managers from the inside, and where the transfer was accomplished with little violence and a veil of "cooperation."

All through the occupied area, the country districts have little to do with the Japanese barring military areas, but continue in the hands of local men, some of whom are still in touch with the Chinese Government. In the North, large areas are organized for defence by communists and their associates. But in Central China there is a large lack of government, emphasized by the chaos of guerilla units who live off the civilians.

It is the announced and apparent policy of the Japanese to manage China cheaply and easily through Chinese administration set up and supported and directed by the Japanese Army. The Provisional Government in Peiping has some measure of success in a small area, but the Reform Government nominally in Nanking has not yet got far from a protected hotel in Shanghai. The officials of these regimes are not a high type of men, and their motives vary all the way from mere greed or spite to a desire to make the best of a hopeless situation. In every city and large town, some local men, not usually the best and sometimes the worst, have come forward for their own advantage or to secure as much order and decency as possible in the harsh troubles of military occupation.

If such is in brief the story of Japanese success, what of Chinese failure? Although the Chinese armies stood up well at Shanghai and in southern Shantung, they have lost every battle of consequence, and frequently have been routed in disaster. Their critical inferiority in mechanical equipment, whether on land or in the air or on the sea and rivers, has put far too great a burden upon men not equal to their opponents -- on the average -- in general education or in systematic military training.
National unity, a modern army system, news-style equipment, all were accomplishments too slight and too recent, not yet adequate to the grinding strain of ruthless attack by a great power. One understands the frank remark of the Japanese official: "One element of our Army decided that Chiang's Government was growing stronger and might a few years later be able to stand against us; so they picked a quarrel last summer and brought on the war at this time." The Japanese effort has proved much more difficult and costly than the national leaders hoped, but the considerable triumph of force is plain to all who can see.

As the attack upon Hankow gathers power, "Free China" is pushed more and more to the south and west. Despite serious problems of internal coordination, there is still morale and organization able to plan and to work for a long struggle. There are plenty of men with ordinary military training, though the losses in technicians and in experienced fighters are not easily replaced. An important, though not tremendous stream of supplies is still flowing from Hongkong and Indo-China. But only a fragment of the former economic development remains unharmed in Chinese hands, and feverish efforts in the crude Southwest cannot make a modern industrial system overnight. Russian aid and activity has been insignificant.

The trends of the situation for the near future may be suggested in the form of four possibilities: (1) continued Japanese advance, resulting in the conquest of all China save the extreme west and southwest, and the slow but steady success of controlled governments -- a more difficult and ponderous Manchoukuo; (2) limitation of Japanese advance to Hankow, or at worst to Changsha, plus possible further action on the southern coast, to be followed by a long period of holding the lines against Chinese counter-strokes, with the expectation of eventual Chinese yielding under the terrible pressure; (3) similar to the foregoing, but with Japanese willingness to make some compromises because of accumulating costs, difficulties in the functioning of the puppet governments and other organizational problems, and the imminence of the destined invasion of Siberia; (4) Japanese weakening due to overextension of forces, and a measure of Chinese military and political recovery based on current improvements.

The second possibility would appear to be the most likely, with the third also to be considered carefully. It may be that my view is affected by local experience, and that it does not adequately appreciate Chinese rallies in the west and southwest.

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