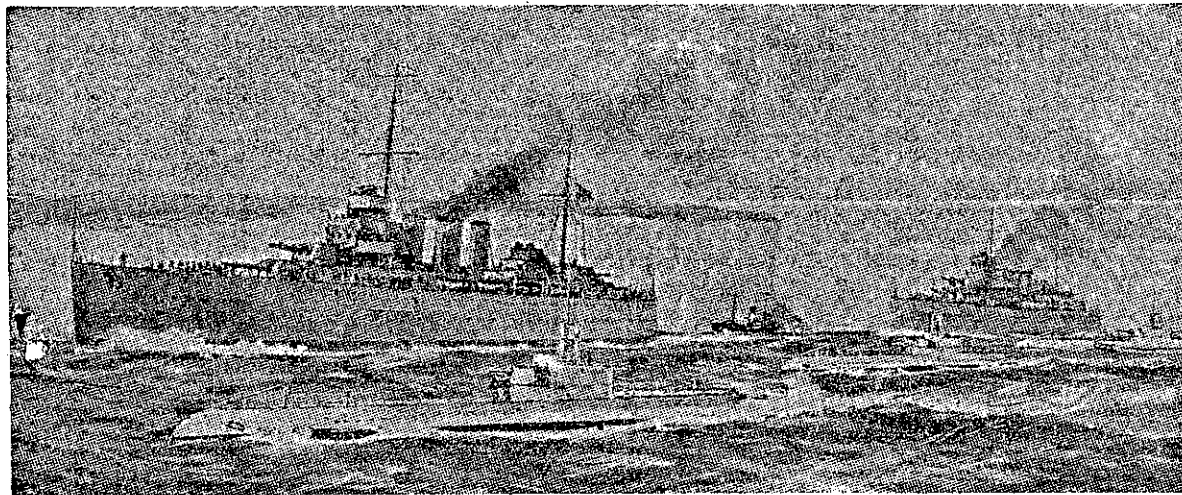


# STORM CLOUDS IN THE EAST



by  
**J. E. Strachn**  
who has recently  
returned from the  
East

—A 3YA Talk

**T**HE war which Japan has been waging with China for nearly six months now seems to be entering upon a critical stage. Tokio announces that a new independent State has been set up in Manchuria, and it is reported that the Chinese Government has established a rapprochement with Russia. Both announcements are startling, but to those most closely in touch with the situation, they are not unexpected. That Japan's intentions included political control of Manchuria was obvious, but just what puppet government she would set up was a matter of guess work. It now appears that rumours of the capture by the Japanese of the young ex-Emperor of China during the November fighting in Tientsin were well founded.

The dramatic moment for this re-appearance as nominal head of the Independent State of Manchuria has arrived. Manchuria is again to have a Manchu ruler, but one who holds office at the pleasure of the Japanese Government. Meantime, it would appear that China, having for nearly six months vainly appealed to the world for a settlement of the trouble by peaceful methods has, in despair, taken the advice of those who advocate friendship with Russia. This, if true, does not necessarily mean that there is another Russo-Japanese war in the offing, but it is almost certain to accentuate the economic conflict which lies behind the hostilities in the East, and which, to a great extent explains them.

Apart from the obvious possibility that China may adopt a Soviet system of Government there is almost certain to be a re-orientation of trade relationships in which Japan and other nations with business interests in China are likely to suffer.

**INCIDENTALLY**  
I these decisions seem to throw a good deal of light upon the causes of the trouble in the East.

As is usual in connection with the outbreak of hostilities a distinction must be drawn between ultimate causes and actual incidents. The ultimate cause in this instance may be stated in general terms as a conflict of Japanese business interests, with the growing national inspirations of the Republic of China.

Coming to the actual incident that precipitated hostilities we are faced with conflicting stories. Naturally the Japanese blame the Chinese, and vice-versa. When I was in Mukden in October I called at the office of the "Manchuria Daily News," and got the Japanese version from the issue of September 21. Here it is, in the form of a proclamation by Lieutenant-General Honjo, dated September 19:—

**A**T 10.30 p.m. on September 18, 1931, the Chinese troops at North Barracks, Mukden, blew up the South Manchurian railway track and then attacked the Japanese railway guard. The Kwangtung Army being held responsible for the protection of the South Manchurian Railway, Lieutenant-General Honjo hastened with his staff before daybreak to Mukden and ordered attacks opened on all Chinese Regulars in South Manchuria."

The Chinese version, as stated by Marshal Chang Hsueh Liang, Governor of Manchuria, in his report, dated September 19, to the Chinese National Government, is:

"Japanese railway guards picked the quarrel by blowing up a section of the South Manchurian Railway and subsequently accused the Chinese military of having done this."

Obviously one story or the other is false, but after all, the actual incident, whatever its nature, is not very important.

I shall now try to explain, as briefly as I can, what is the nature of the dispute between China and Japan. Manchuria, with its vast productive resources in agricultural land and minerals, and its cheap and abundant labour, is a very attractive field for industrial enterprise. It is, or was till recently, practically virgin territory waiting to be exploited. It is natural, therefore, that to a powerful and ambitious neighbour like Japan, such a field for investment and enterprise should prove very attractive. Moreover, the needs of the world to-day are so great that the scientific exploitation of any considerable area of productive land has become an economic necessity.

(Concluded on page 9.)

*"China supplies Japan with food; Japan sells the products of its mills and factories; China can get its goods elsewhere, but Japanese business concerns are not so independent. It is an economic war and the Chinese hold the strategic advantage. Japan cannot win unless the contest is shifted from the economic arena to the political and military arena. That is the real clue to the present situation."*