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WAR

. . . In the Orient

Snow and sub-zero cold curtailed fighting in the Orient's 2½-year-old war last week, except in South China. There, in milder weather, the Chinese claimed to have dealt the invader one of the most serious setbacks of the war, pushing him back to within 10 miles of Canton, South China metropolis, which fell to the Japanese in October, 1938.

On the home front, the new Japanese Cabinet, headed by Admiral Mitsumasa Yonai, pledged early disposal of the "China incident." Newly installed Foreign Minister Hachiro Arita said the Cabinet would also strive for an early settlement of differences with Russia and the United States. At the same time he predicted closer relations with Germany because of the "inseparable ties binding Japan, Germany and Italy as 'have-not' nations."

There was less optimism, however, over relations with the United States. Actual expiration of the Empire's 29-year-old commercial treaty with Washington last week was accompanied by a formal U. S. notice that Japanese-American trade relations would continue on a day-to-day basis. But as American sentiment grew for an embargo against the shipment of war materials to Japan, Tokyo received another dose of "moral embargo" when American engineers who have been helping the Japanese manufacture high-octane airplane gasoline were suddenly called home.

In China, meanwhile, an interesting sideshow to the main Chinese-Japanese struggle developed. First, former Chinese Premier Wang Ching-wei, Tokyo's choice to head a proposed puppet government in the conquered parts of China, sent a telegram to Chiang Kai-shek urging the Generalissimo to join him in making peace with Japan. Chiang and his Chungking government ignored the message as a "Wang publicity stunt."

Later in the week Wang left Shanghai for Tsingtao for a conference with the heads of the puppet Peiping and Nanking regimes which he hopes to merge under him. At the same time two disgruntled followers of Wang, one a former Chinese Foreign Office official, appeared in Hong Kong where they released what they said were photostatic copies of a peace agreement signed by Japan and Wang.

When Hong Kong papers said its terms were more exorbitant than the notorious 21 demands Japan presented to China in 1915 and "would virtually reduce China to the status of a dependency of Japan," the Chinese Nationalist press let loose an editorial broadside, calling it the "most abject, shameful document in the 4,000 years of Chinese history."

The Chinese were equally disturbed over an exchange of effusive messages between Italian Foreign Minister Count Galeazzo Ciano and Wang. They viewed Ciano's expressed conviction that under Wang's "high guidance, China, at peace with the great neighboring Japanese Empire, will know a new era of prosperity and progress," as virtual Italian recognition of the new anti-Communist government Wang is trying to set up at Japan's behest. While foreign observers speculated on the Italian motive, staunch supporters of the Kai-shek rediplomatic relations between the Chinese and Italian governments.