

"The Chinese were furiously aroused," said Mr. Obata, "when they heard that their Government had concluded the loan with the Japanese, but they remained perfectly silent toward the big American loan. Both loans were aimed at developing sources of wealth in China. The American loan was far bigger and its terms were more strict, yet the Chinese objected to the Japanese proposition and silently accepted the American issue. This difference in attitude has a great deal to do with the future of industrial activities of Japanese capitalists in China."

Now for one last quotation, a brief one. The Osaka *Mainichi* printed a leader in November, 1916, in which it put three questions as to the conclusion of the \$5,000,000 (£1,000,000) loan by the Continental Commercial Bank of Chicago to the Chinese Government as follows:

"(1) Has the Chinese Government negotiated with the international group for cancellation of the previous agreement as to exclusive privileges of making loans to China?

"(2) Has the Chinese Government merely trampled the privileges of the group?

"(3) Have the group bankers taken proper steps to prevent the American loans or have they only let the Chinese trample upon their privileges?"

I have been careful not to quote weird excerpts from irresponsible Japanese newspapers. I have quoted only representative leading articles that carried in them the tone of popular or influential thought in Japan.

My stay in Japan convinced me that American capital will find little opportunity for independent investment in China, however non-political its schemes may be, if Japan can get her own sweet way.

Will she get her way?

She will unless the American Government makes a great fundamental change in its policy, which could only be born of a great change of heart.

All things are possible. The change of heart may come.