

NATIONAL AFFAIRS.

June 1936

Our state of suspense continues, while Japan still remains without a resident Ambassador and refuses to discuss the critical issues of North China with the National Government in Nanking. In leisurely fashion the Japanese forces in the Tientsin area have been doubled, and the Tokyo War Office has denied ulterior motives in the usual naive manner that gives the game away to careful readers: "The increase will not infringe upon China's sovereignty nor upon the acquired rights of other powers, but would enable the Garrison to perform its duties satisfactorily, invite peace to North China, and result ultimately in the readjustment of North China's relations with Japan, Manchoukuo, and other nations." No other countries have garrison commanders capable of such far-reaching services in line of ordinary duty! The forces are not large, but they can always act with tenfold boldness as the advance guard of a complete army and navy ready to arrive in three days. Mr. Suma, Consul-General at Nanking and Counsellor of the Embassy, is a connoisseur of Chinese art, but perhaps not of Chinese literary style. He recently declared: "China can no longer delay her choice between interdependence with Japan and war with Japan." Thus the program of "improving Sino-Japanese relations" and "pacification of the Far East" is becoming more explicit.

These samples from vast supplies of items will suffice to indicate why China is steadily being militarized. The chief leaders have tried to envisage the fateful consequences of resistance, but they cannot bring themselves to stand with folded arms while the country is brought under foreign domination. Statesmanlike proposals of negotiation to meet Japanese desires in any way that would still have regard for Chinese interests, have been treated contemptuously in Tokyo. Much to the distress of many of us, we must think of the miseries of war and its disastrous consequences as more than a possibility at any time during the coming year.

At the same time, the national leaders are painfully conscious of their weaknesses. The factional sins of the past rise to curse the very considerable progress of recent years, and to hamper the persistent efforts to secure nation-wide cooperation ~~the~~ at the present time. Even the cautious and responsible efforts to avoid any unnecessary friction with Japan are interpreted by others, especially in the hard-pressed North and in the emotional South, as spineless and self-seeking subservience. At this moment (June 7) we are disturbed by Cantonese pressure upon the National Government in the name of resistance to Japan and criticism of the increasing personal powers of Chiang Kai-shek. The immediate political and financial aims of the southern chiefs are not yet divulged, and many minds are confused by the sensational and unconfirmed reports from the official Japanese news agency that the first steps in civil war have been taken. It seems that the Chinese political differences are serious, but that armed conflict is most unlikely.

Part of the problem is the steady growth of the power of the National Government as compared with local units. In ten provinces, ~~based~~ based upon the Yangtze valley, administration and appointments are now directly controlled from Nanking: Kiangsu, Chekiang, Fukien, Anhwei, Kiangsi, Hunan, Hupeh, Honan, Shensi, Szechuan. Part control and considerable influence are maintained in Kweichow, Shansi, and Ninghsia; cordial relations and influence in Shantung and in Yunnan. Kansu and Sinkiang belong much to the distant wilds, though Nanking has a hand in the former and Russia in the latter. Kwangtung and Kwangsi act much on their own in internal politics. Hopei, Chahar, and Suiyuan are rapidly

passing under Japanese management. Throughout the entire country the educated classes are decidedly nationalistic in sentiment, though a regional tone is also present, most noticeably in Canton and its neighbors. It is remarkable that the national services of communications, customs, and educational administration, are maintained with so much vitality regardless of local political interests. The one serious exception is Japanese interference with the customs in the Tientsin area, accompanied by a hand in railways and in education.

The national revenue from customs duties has dropped about one-third under the regime of smuggling supported by the Japanese program in North China. This amount is serious not only ^{because it is} approximately one-sixth of the entire income of the Central Government, but also because the customs are the chief security for foreign and domestic loans, thus involving credit abroad and at home and the welfare of the chief banks. It is impossible to discuss in detail the injury to legitimate business and general drop in prices, the blow to administrative morale, and the damaging insistence of Japanese officials that the situation can be cleared up at the ~~price~~ cost of permitting them to make the tariff and reorganize the customs system. Journals usually anxious to avoid offence to Japan have summed up the situation: The Manchester Guardian called the smuggling situation in East Hopei "perhaps the most shameful case of robbery ever condoned by a great Power" -- and the increase of the Japanese garrison clear evidence of an attempt to undermine the Nanking Government. The "London Times" was equally plain. "The evasive answers of the Japanese authorities to diplomatic protests concerning the smuggling in North China indicate that connivance in this shoddy swindle is not merely an affair of ^{the} local military faction, but a deliberate stroke of governmental policy. Those Japanese who have so often proclaimed their mission as a stabilizing force in the Far East will not be able to reconcile easily their specious words with a policy aiming at bankrupting the only firm government in China. That policy will also harm Japan's ^{own} credit as a nation."

STOP PRESS. June 15. The southern generals have pressed more violently than was expected, and hostilities have narrowly been averted by compromises which are only tentative. Kwangtung (Canton) and Kwangsi demand financial aid, and the extension of their control into neighboring provinces; the popular demand for vigorous defence ~~is~~ against Japan is recklessly used as a political club with which to pound the somewhat dictatorial Chiang Kai-shek, who is widely disliked in the South and is bitterly hated by the Kwangsi chiefs Pai and Li. Some twenty millions' worth of war material have been supplied to Kwangsi in a single deal from Japan, on strangely easy terms. Moreover, the same Japanese authorities who usually rush to protest against the slightest encouragement toward resistance on the part of China, are remarkably complaisant over the extensive Cantonese agitation against the Japanese advance in North China. The whole situation is disgraceful and dangerous for China, and discreditable to Japan for her connivance with disruptive enterprises.