

NATIONAL AFFAIRS

July 10

The Central Committees of the Kuomintang meet tomorrow to consider the internal disputes and the present stage of relations with Japan -- matters not unconnected. By quiet firmness on the part of the National Government, the moves of Kwangtung and Kwangsi into Hunan were halted, and at the same time hostilities have been avoided. It is hoped that some settlement may yet be found, though no one can tell whether the southern generals will respond to financial and political pressure by compromise or by desperate military adventure in the name of the all-popular "resistance to Japan".

In the process of unifying the country which has been proceeding with increasing steadiness since 1928, the most difficult remaining problem has been in "The Two Kwangs". By difference of language, by vehement temperament and ambition, by pride in leadership of early phases of the Nationalist Revolution, by clamorous habits and strong provincial feeling, many leaders of the southern provinces have long been an obstacle to real consolidation with a national government in the old Peking or the new Nanking. At the same time, the southern provinces nourish the most strenuous national feeling, poorly related to political organization. Moreover, the able and aggressive military chiefs of Kwangsi, Pao Chang-hsi and Li Chung-jen, cherish personal resentment that they were eclipsed and crowded out by Chiang Kai-shek.

The National Government has followed a tolerant policy toward the Kwangs, but there was a probability of war in 1931 when the Manchurian issue intervened. Since then there has been much plotting in the south, but no action until present financial crises and the imminence of a new constitution and political settlement in Nanking have pushed the generals to movement. The popular dissatisfaction with the caution of the National Government toward Japan, and suspicion of the concentration of power in the hands of Chiang Kai-shek provide public attitudes to which appeal has been made in concealment of the factional and regional interests of the southern leaders. Apparently they expected support from various parts of the country, but they have received little. The widespread condemnation of internal conflict and the obvious Japanese approval of the southern movement are reasons for political compromise if that is at all possible. But many feel that sooner or later Pao and Li must be forcibly removed from means to disturb the country. Southern opinion is divided and confused, even under the strict local press control.

Ambassador Kawagoe has been installed with a declaration that he stands by Hirota's three unlimited principles, and that he will emphasize "economic cooperation" without restriction to North China. He also states the familiar view that China should conform her tariff to Japan's wishes in order to stop the smuggling. It is announced that the final arrangements have been made for the Tsengchow-Shihchia-chuang railway under Japanese auspices, cutting across North China from Tientsin to the Shansi line. Once again the Japanese have found it desirable to replace a previous nominee as Mayor of Tientsin, and there are other signs of Chinese restlessness under continual dictation in Hopei. Japanese generals are providing inducements and pressure for Shantung to combine with Hopei and Chahar in regional organization. The Japanese navy and consular authorities have made

disgraceful demands and declarations when customs preventive boats required smugglers under the Japanese flag to halt for search under the ordinary treaties and regulations. They sent cruisers to the spot and announced that any effort to stop a Japanese ship would be treated as piracy; and have forced apologies from the Customs authorities for doing their duty.

It is no wonder that the sense of inevitable struggle deepens. The fundamental issue is whether China shall have a chance to go ahead with her own development, or whether Japanese economic and strategic interests and their imperial ambitions shall increasingly exploit China. How and when China should make her stand, facing disaster in one burst or ~~disaster/piecemeal~~ disaster piecemeal? Most discussions of public affairs are on that question in one form or another.

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