

Sept 1936

NATIONAL AFFAIRS

Attention during the summer has been largely fixed upon the reorganization of semi-rebellious South China. The local regime in Kwangtung collapsed under the alliance of national pressure, both economically and politically with serious dissatisfaction in the province. The Central Government has proceeded promptly but carefully to reduce the abuses in taxation, swollen local armies, opium and gambling. Canton's leaders, who have previously worked with the national administration, are being used in most of the important provincial positions in order to reconcile local pride and peculiarities with the need for reorganizing the province as a fully co-operating unit in the national political system.

The problem of Kwangsi is still (September 7) requiring the unremitting diligence of the Central authorities. The unreasonable attitude of Generals Fai and Li has gained no support in the country as whole and the change in Kwangtung has left them isolated. Though not completely blockaded, the regime is under great economic disability; and sufficient troops of the Central Government are near their frontiers to afford a warning guard against the threatening moves frequently made from within Kwangsi. Meanwhile attempts at compromise have been in progress for three months with daily alterations of expectation and despair. The National Government has submitted to provocation that would in former times have meant war; but wisdom in authority, public opinion and the fears of Japanese intervention combine in the demand for peaceful adjustment. This requirement has been exploited by the Kwangsi generals who object even to a first long step toward consolidation in the national political and military system. Since the status of the Kwangsi regime grows worse with time and the position of the National Government is strong alike in reason and in force, there can be little doubt of the outcome--though time and manner are yet to be discovered. In all these southern difficulties there has been no fighting despite the many false reports from Japanese official agencies.

Thus national unity has gained the important element of Kwangtung and is likely to secure Kwangsi. The national outlook is bright with the tremendous exception of North China. Japanese pressure increases as Chinese local officials fail to be completely satisfactory servants of Japanese generals. One of the latter has gratuitously announced that Hankow will not be permitted to shift the governor of Shantung; while another has threatened that the Japanese army may demand the dissolution of the Kuomintang throughout China. Pressure to break down the Customs system, with all the economic and fiscal perils that entails, continues relentlessly in varying forms. Textbooks in history and geography made for all schools for Kopei and Chahar are forcibly supplied from Manchoukuo. They eliminate the terms for "the Chinese people" or "the Chinese nation", drop out of history the work of Sun Yat-sen and the Nationalistic Revolution and of course present Japan, Korea, and Manchoukuo in a highly artificial light.

The savage killing of two Japanese journalists was one among several tragic results of mob action in Changtu, Szechuen. The Chinese authorities anxiously hastened to take full responsibility. The Japanese position was at first properly concerned



but moderate; now after military and journalistic pressure the diplomats are beginning to talk violently and to make general allegations about "a wide-spread anti-Japanese movement" (in fact it does not exist). The anger of the Chinese was aroused against large shipments of smuggled Japanese goods and against Japanese insistence upon placing a consulate (which means commercial agents and armed police) in Chengtu without any basis in treaty agreements. The extent to which radical agitators were responsible for the trouble and the degree of effort made by the police are still under controversy. Japanese reports that students participated in the attack are flatly denied by independent observers.