

NATIONAL AFFAIRS.

May, 1936

All taxpayers and friends of Dr. Macklin and Henry George will be interested in the application of "single tax" principles in one form or another in various Chinese localities. The latest example is Nanking, where the Municipality is completing a systematic survey and registration of land. Agricultural land is to pay six mills; occupied building sites, ten mills; unused building sites, twenty mills (which may be raised as high as a hundred mills, or ten per cent, "if necessary").

The Canton-Hankow Railway has just been completed, after four years' work upon the long-deferred central sections. A train ferry at Hankow will permit through service from Canton to Peiping, though one must wonder whether China as China will derive full ~~benefit~~ ^{reward} from the greatly needed and costly effort. In any case, the political and economic benefit south of the Yangtze is potentially important; for the southwest is being made accessible for the first time, and the difficult relations with Canton must now pass into a new phase of contacts. The large-scale river works restoring the Yellow River to its channel after last year's disastrous breaks have now been successfully finished; while big improvements are being made in the Hwai River spillway across devastated North Kiangsu, and in the dikes along threatened portions of the Yangtze. In general the rivers are high for this season, and there is considerable anxiety.

The swift-moving communist bands have been fairly well driven out of Shansi, and are hard pressed in parts of Shensi. But it does seem that the Government operations are habitually tardy and tedious compared with those who can choose their own time and place for striking. On the other hand, if one looks from the communist side, it appears that heroic ~~and~~ marches and an endless chain of recruiting and wastage have failed to achieve a single base or organization other than marauding armies. Russians among themselves have become rather thoroughly disillusioned about the character and results of these Chinese enterprises, though one faction still plays them up as the sole communist show outside of Russia that can pretend to political power. Very high authorities find no indication of official Russian aid or even of approval at the present time, and such little propaganda as has been seen in North and East China has come by mail from London and Paris, apparently written and printed by Chinese exiles.

National politics proper are outwardly calm. The revised Draft Constitution has been published today (May 5), and presumably will be approved in the autumn by a People's Assembly which is to fix a date for putting the Constitution into effect. The public is not interested, for it remembers too many promulgations that did not change the actual bureaucratic and military control; and most persons expect an international crisis that will certainly modify, if not cancel the program. Those who have the facts of the inner relations of northern officials with the National Government, and of the attitudes of southern leaders and their political opponents now in power, cannot be gay. The temptation to silence internal differences in a splurge of resistance against Japan is constant; but the responsible men know how terrible the retribution would be, and submit in silence to the rain of taunts from enthusiastic critics of their caution. Part of the internal problem is a genuine difference of opinion as to what should be done on the desperate international issue, but there is also the old situation of regional and factional interests contending for place and power. There is little open quarreling, but there is not unity or adequate cooperation.

The relations with Japan are worsening as the abuses in North China increase, and at the same time the Japanese Government continues to refuse to discuss North China with the National Government, asserting that it will manage such questions locally in its own manner. Whether a decisive break, with some sort of open demands, will come following the interminable Japanese conferences in Tokyo and in Tientsin, we do not yet know. It may be that the present process of breaking down Chinese authority in the regions marked for action will simply be pushed on to gradual rearrangements according to Japanese desires. Repeated efforts by bribery and intimidation have thus far been unsuccessful in Shantung, Fukien, and Kwangtung provinces. But in the north, Japanese officers are now controlling communications, trade, and taxation in Chahar and Suiyuan, thus practically completing their assimilation of Inner Mongolia. The dummy administration in East Hopei is used to let in a flood of Japanese goods from Dairen, both by direct smuggling under protection of extraterritorial rights for Korean and Japanese ruffians, and by a forced reduction of duties that disorganizes the Chinese customs system. These goods are now pouring southward even to the tributaries of the Yangtze, to the great damage of revenue, administration, and internal markets. The Japanese insist upon a literal interpretation of agreements regarding the "demilitarized zone" south of the Great Wall, and will not ~~accept~~ accept armed customs boats above Tientsin. Though details have not been revealed, it seems assured that the Chinese officials in Peiping are being compelled to save their financial and economic system at the price of agreeing to permit the stationing of Japanese troops at will in Hopei and Chahar provinces. In diplomatic language this is called "joint protection against communists" and "possible abolition of the East Hopei regime". Let him that readeth understand!

*and organization
of revolt,*