

EVENTS AND CURRENT RUMOURS.

CANTON, 1st to 15th January, 1937.

In response to the requests of ~~the~~ Government leaders made subsequent to the Sianfu mutiny, Mr. Wang Ching-wei, Chairman of the Central Political Committee, who ~~sailed~~ ^{went} for Europe last year for ~~the removal of the~~ ^{health medical treatment reason}, ~~bullet in his body~~, returned to China, arriving at Hongkong on the 12th, where he was welcomed by many representatives of the Central Government and the Kwangtung authorities. Instead of coming up to Canton for a short visit as expected, Mr. Wang ~~proceeded~~ ^{continued immediately} to Shanghai by the ~~original steamer~~. Having been urgently ~~persuaded~~ ^{requested} by the Central authorities to return to China to attend the 3rd Plenary Session scheduled to take place on the 15th February, Mr. Hsiao Fu-cheng, a veteran Kuomintang member now residing at Siam, is said to have promised to accept the request.

Since the ~~re-assumption~~ ^{resumption} of control of Kwangtung by the Central Government, a large-scale reorganisation with regard to administration and expenditure has taken place in Party, political and military organisations. The monthly amount of St.\$5,000,000 to defray military expenses for the maintenance of provincial troops under the 4th Route Army Headquarters has, according to the instructions of the Central Government, been reduced to St.\$4,000,000 in two stages -- St.\$500,000 from January, 1937 and the other St.\$500,000 from April, 1937. The expenditure incurred by other military organisations, such as the Military Academy, the Aviation College, the Bocca Tigris Commander's Headquarters, etc., will be issued by Nanking direct in order to reduce the provincial budget.

Owing to the ~~scarce~~ ^{decreased} supply of rice from various sources to meet local consumption, the price of this commodity

country, so I must try my best to settle the trouble. Therefore I have instructed my troops and also requested other Provincial Governments to stop fighting, and persuaded Kwangtung and Kwangsi to cancel their independence. Unexpectedly no satisfactory arrangements can be made after repeated telegraphic communications. Now, the conditions are getting more serious. I have retired and am now undergoing medical treatment and feel exceedingly sorry that nothing can be done in connection with the conciliation. I cannot manage or control matters from so great a distance and I hope therefore that you all will conjointly arrange how to protect the country."

Francis A. Paul

Commissioner.

Custom House,

Canton, 12th January 1918.